

1. SUMMARY INFORMATION

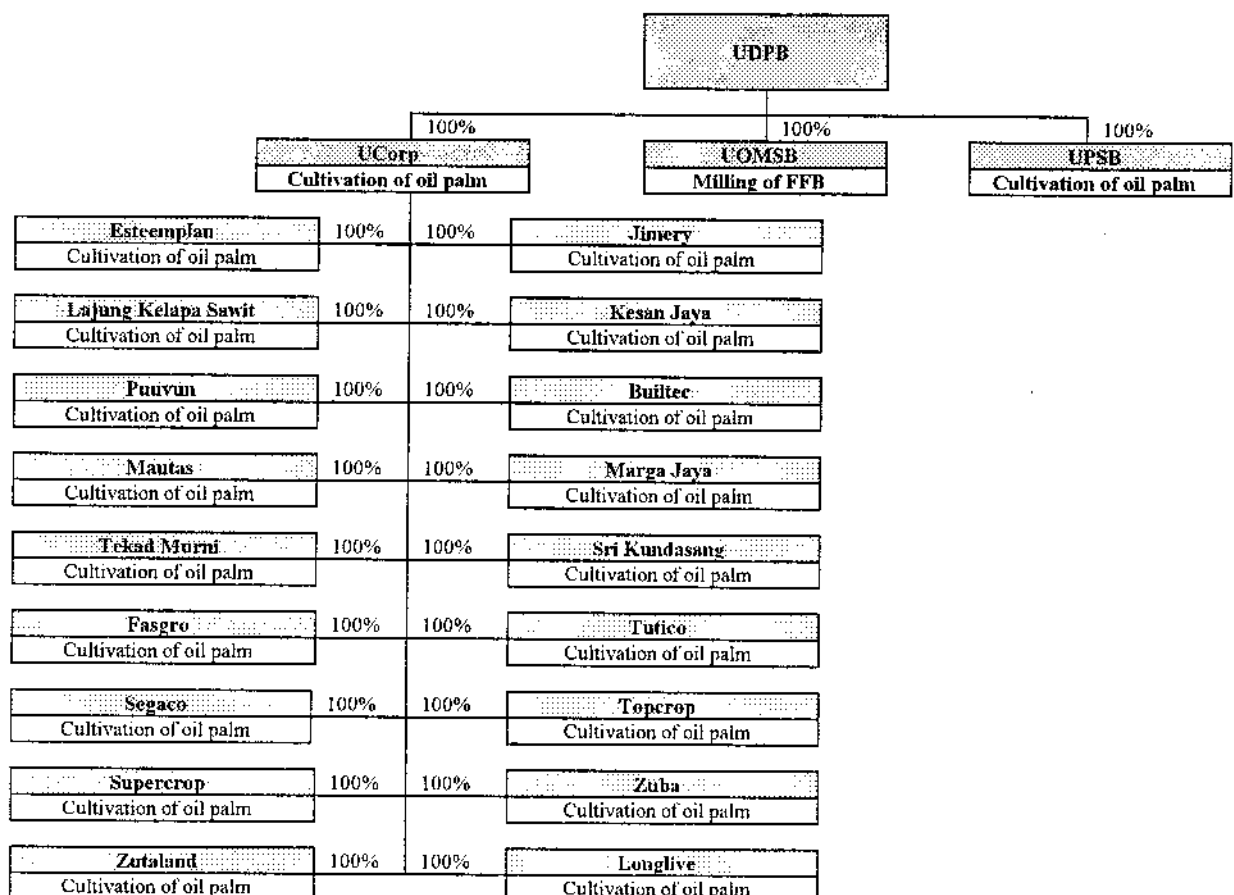
The following summary information is derived from, and should be read in conjunction with, the full text of this Prospectus.

1.1 History and Business

UDPB was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 11 December 1981 as Unico-Desa Plantations Sdn Bhd. On 11 May 1983, the Company received an offer for a piece of land measuring 6,879.66 ha from the Sabah State Government for the purposes of cultivating oil palm. On 8 December 1983, a joint-venture agreement was entered into between KPD and UHB to subscribe for the issued and paid-up share capital in UDPB at a ratio of 49 : 51. However, on 21 August 1987, UHB acquired all the shares held by KPD and UDPB became a wholly-owned subsidiary of UHB.

On 1 April 1998, the Company was converted into a public limited company and assumed its present name. UDPB is principally involved in the cultivation of oil palm, milling of FFB, and selling of CPO and PK.

Pursuant to the Restructuring Exercise, UDPB acquired the entire issued and paid-up share capital of three (3) companies, namely, UOMSB, UCorp and UPSB. The three (3) principal subsidiary companies of UDPB are involved in the cultivation of oil palm, milling of FFB, processing and marketing of palm oil products. The UDPB Group's corporate structure is as follows :-



Presently, the Group owns a land bank of about 12,140.10 ha in Lahad Datu, Sabah. As at 18 February 2000, approximately 11,440.64 ha have been planted with oil palm of which about 8,943.19 ha are matured. The Group operates two (2) CPO mills which service both the Group and non-Group plantations in Lahad Datu. On combination, these facilities processed about 290,305 MT of FFB in 1999 and produced 56,182 MT of CPO and 12,768 MT of PK respectively.

1. SUMMARY INFORMATION (CONT'D)**1.2 Financial Statistics for the Past Five (5) Financial Years**

The following table is extracted from the Accountants' Report set out in Section 10 of this Prospectus and should be read in conjunction with the notes thereto.

The table below sets out a summary of the audited proforma consolidated results of UDPB Group for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 and are provided for illustrative purposes based on the audited accounts of UDPB and its subsidiary companies, prepared on the assumption that the acquisition of the subsidiaries' issued and paid-up share capital were completed on 1 April 1994 :-

	← Financial Years Ended 31 March →					Five (5) months period ended 31.8.99
	1995	1996	1997	1998	1999	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	36,308	49,717	59,264	92,362	140,627	43,066
PBT	9,693	14,129	11,432	23,224	39,849	9,811
Less : Taxation	-	(400)	(365)	(3,151)	(3,516)	(4,200)
PAT	9,693	13,729	11,067	20,073	36,333	5,611
MI	-	-	-	-	-	-
PAT after MI	9,693	13,729	11,067	20,073	36,333	@ 5,611
No. of ordinary shares assumed in issue ('000) #	6,823	6,823	6,823	6,823	6,823	6,823
Gross EPS (RM)	1.42	2.07	1.68	3.40	5.84	* 3.45
Net EPS (RM)	1.42	2.01	1.62	2.94	5.32	* 1.97
Gross dividend rate (%)	-	-	-	150	100	380

* Annualised

Based on the issued and paid-up share capital of UDPB after taking into account the shares issued by UDPB for the acquisition of the subsidiary companies, namely UOMSB, Ucorp and UPSB

@ Should the consolidated profit after taxation and minority interest be annualised, the UDPB Group may only achieve a consolidated profit estimate of RM13.5 Million for the financial year ending 31 March 2000. However, the UDPB Group is expected to attain the consolidated profit estimate of RM16.896 Million for the financial year ending 31 March 2000 due to increased FFB production anticipated as the peak season for the Group falls between the months of October until December

Notes :-

- The proforma financial results of the twenty-one (21) companies included in the UDPB Group are extracted from the audited accounts.
- The increase in turnover and PBT in 1996 was due to increased FFB production as a result of an increase in matured hectareage.
- The increase in turnover and PBT in 1998 and 1999 was largely due to better CPO prices and commissioning of the Group's new oil mill.
- All intercompany transactions have been eliminated on proforma consolidation.
- There were no material unrealised profits arising requiring elimination on consolidation.
- There were no exceptional and extraordinary items in respect of all the financial years under review.

1. SUMMARY INFORMATION (CONT'D)**1.3 Principal Statistics Relating to the Public Issue/Offer for Sale****(i) Share Capital**

	RM'000
Authorised	
500,000,000 ordinary shares of RM1.00 each	<u>500,000</u>
Issued and fully paid-up	
89,000,000 ordinary shares of RM1.00 each	89,000
To be issued pursuant to the Public Issue	
49,000,000 new ordinary shares of RM1.00 each	<u>49,000</u>
	<u>138,000</u>

(ii) To be offered pursuant to the Offer for Sale

25,000,000 ordinary shares of RM1.00 each (RM'000) 25,000

(iii) Public Issue/Offer for Sale price per share

RM1.50

(iv) Consolidated Profit Estimate And Forecast

Financial Year Ending 31 March	2000	2001
Consolidated PBT but after MI (RM'000)	24,982	26,433
Consolidated PAT after MI (RM'000)	16,896	20,048
No. of shares in issue ('000)	* 62,891	138,000
Gross EPS (sen)	39.7	19.1
Net EPS (sen)	26.9	14.5
Gross PE multiple based on the Public Issue/Offer for Sale price of RM1.50 per share (times)	3.8	7.8
Net PE multiple based on the Public Issue/Offer for Sale price of RM1.50 per share (times)	5.6	10.3

* *weighted average number of shares in issue*

(v) Dividend Estimate And Forecast

Financial Year Ending 31 March	2000	2001
Gross dividend (%)	5.0	5.0
Net dividend (%)	3.6	3.6
Gross dividend yield based on the Public Issue/Offer for Sale price of RM1.50 per share (%)	3.33	3.33
Net dividend yield based on the Public Issue/Offer for Sale price of RM1.50 per share (%)	2.4	2.4
Net dividend cover based on the enlarged issued and paid-up share capital of 138,000,000 ordinary shares of RM1.00 each (times)	3.40	4.03

(vi) Proforma Group NTA as at 31 August 1999

Proforma Group NTA (RM'000) (after taking into account the Restructuring Exercise and deducting estimated listing expenses of RM1,500,000)	310,294
Proforma Group NTA per share (RM) (based on the enlarged issued and paid-up share capital of 138,000,000 ordinary shares of RM1.00 each)	2.25

1. SUMMARY INFORMATION (CONT'D)

1.4 Basis of Arriving at the Public Issue/Offer for Sale price

The Public Issue/Offer for Sale price of RM1.50 per share was entirely determined and agreed upon by Arab-Malaysian as Adviser and Managing Underwriter, the Offeror and UDPB after taking into account, inter-alia, the following factors:-

- (a) Based on the proforma Group NTA per share as at 31 August 1999 of RM2.25, the Public Issue/Offer for Sale price of RM1.50 per share represents a discount of RM0.75 or 33.33% to the proforma Group NTA per share;
- (b) The estimate and forecast net PE multiple of 5.6 times and 10.3 times are based on the estimate and forecast consolidated net EPS of approximately 26.9 sen and 14.5 sen for the financial years ending 31 March 2000 and 31 March 2001 respectively and the Public Issue/Offer for Sale price of RM1.50 per share;
- (c) The estimate and forecast gross dividend yield of 3.33%; and
- (d) The prospects of the UDPB Group as outlined in Section 5 herein.

The Directors of UDPB, the Offeror and Arab-Malaysian are of the opinion that the Public Issue/Offer for Sale price is fair and reasonable after careful consideration of the abovementioned factors.

However, shareholders should also note that the market price of UDPB shares upon listing on the KLSE are subject to the vagaries of the market forces and other uncertainties which may affect the price of UDPB shares being traded.

1.5 Investment Considerations

Applicants for the Public Issue/Offer Shares should carefully consider the following in addition to the other information contained elsewhere in the Prospectus before applying for the Public Issue/Offer Shares:-

(i) No Prior Market For UDPB Shares

Prior to this Public Issue/Offer for Sale, there has been no public market for UDPB shares and there can be no assurance regarding the future development of the market for UDPB shares. There is no assurance that the Public Issue/Offer for Sale price will correspond to the price at which UDPB shares will trade on the Main Board of the KLSE and that an active market for UDPB shares will develop and continue upon or subsequent to its listing.

The Public Issue/Offer for Sale price of RM1.50 per share has been determined after taking into consideration a number of factors, including but not limited to, the Group's financial and operating history and standing, the future prospects of the Group and the industry in which the Group is involved, the NTA of the Group, the market prices for shares of companies engaged in business similar to that of the Group and the prevailing market conditions at the time the issue of the Prospectus.

(ii) Business Risks

UDPB is subject to certain risks inherent in the plantation industry. These include but not limited to weather conditions, supply of labour, fertilisers and other agricultural chemicals, changes in costs of labour, threat of substitutes for the palm oil products, changes in general economic, business and credit conditions. Although the Group seeks to limit these risks, no assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business.

1. SUMMARY INFORMATION (CONT'D)

(iii) Competition

Apart from competing with other palm oil producers, the UDPB Group also faces competition from producers of other vegetable oils such as soy bean oil, sunflower oil, coconut oil and rape seed oil. Therefore, no assurance is given that UDPB will be able to maintain its existing market share in the future.

Nevertheless, the ever-increasing demand for edible oils and fats globally coupled with the comparatively lower production cost of palm oil will continually provide a positive impetus to the local oil palm industry, therefore enhancing the future prospects of the Group.

(iv) Dependency on Key Management

The continued performance of UDPB will largely depend on the abilities and continued efforts of its existing Directors and senior management as well as the ability to attract and/or retain qualified personnel. However, based on the long and dedicated service of many of its directors and staff, the Group is confident that they will continue serving the Group for the years to come.

(v) Potential Conflict of Interest

Certain Directors of the UDPB Group have interests in companies carrying out similar business activities as the UDPB Group. These companies have no direct relationship to UDPB save for the fact that these Directors have interests in them. Further details on the Directors interests in similar businesses is set out in Section 11.3 of this Prospectus.

In complying with one of the conditions stipulated by the SC in approving the listing of UDPB on the Main Board of the KLSE, the promoters and Directors of the UDPB Group will not venture into new businesses which will give rise to a conflict of interest situation with the existing businesses of the UDPB Group in ensuring that any decisions to be made will be in the best interest of the UDPB Group.

(vi) Profit Estimate And Forecast

This Prospectus contains the profit estimate and forecast of the UDPB Group that are based on certain assumptions deemed reasonable by the Directors of UDPB. Due to the subjective judgments and inherent uncertainties of estimate and forecast, and because events and circumstances do not occur as expected, there can be no assurance that the estimate and forecast contained herein will be realised and actual results may be materially different from those shown. Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the estimate and forecast that are contained herein.

(vii) Volatility of CPO Price

Palm oil is the major beneficiary of the weaker RM as the trade and exports of the country's crude and processed palm oil exports are undertaken in USD. In other words, the CPO price is highly susceptible to fluctuations of the USD.

This has been principally mitigated by the exchange control rules implemented on 1 September 1998 which has the effect of pegging the Malaysian Ringgit to the USD (at RM3.80 = USD1).

1. **SUMMARY INFORMATION (CONT'D)**

Nevertheless, the CPO price is still fundamentally dependent upon the supply and demand in the world oils and fats market.

(viii) **Millennium Bug**

The Millennium Bug or the Year 2000 problem (Y2K) refers to the problem where certain computer hardware and software programmes are unable to correctly recognise and process two-digit references in dates after 31 December 1999. When the year 2000 changes over, these systems may mistakenly interpret "00" in the year field as "1900" and this will invariably cause systems failure or producing undesirable results due to its inability to properly process data.

The Directors of UDPB and management of the respective companies within the UDPB Group are fully aware of the Y2K problem and has taken the necessary measures to assess the extent of compliance. The Company had identified various areas that were not Y2K compliant and the process of replacing and/or upgrading those hardware and software has already been completed. The estimated cost involved in upgrading these equipments to ensure full Y2K compliance is approximately RM100,000 which has no material impact of the Group's earnings.

Although the Company is already Y2K compliant, it also relies on third parties for products and services such as power, water, telecommunication and banking whose state of Y2K readiness is beyond the Company's control. Notwithstanding this, the computer systems of the Company's Registrar, M & C Services Sdn Bhd, are Y2K compliant. In recognition of the Group's dependence on third parties, the Company will, however, continue to review and monitor the progress of Y2K compliance by its suppliers to ensure that there will be no disruption in the delivery of fertiliser, chemicals and consumables. As a contingency plan, the Group has plans to increase its stock holding on these items and may defer application of the rounding fertilisers and chemicals.

The effect of the Y2K problem on the Group's operations is not expected to be severe as most of the machinery used in the day-to-day operations is not date sensitive. As such, the Company will not seek independent verification in relation to its Y2K compliance.

During the recent rollover, the Group did not experience any Y2K problem and as at 18 February 2000, there has been no Y2K problems encountered during the day-to-day operations of the Group.

The Directors of UDPB have been briefed on the issues and actions taken by the management of the respective companies within the UDPB Group to ensure Y2K compliance.

2. CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Tan Sri Ngan Ching Wen <i>(Chairman and Managing Director)</i>	9, Jalan Teruntong Damansara Heights 50490 Kuala Lumpur	Company Director	Malaysian
Tan Sri Dato' Soong @ Soong Siew Hoong <i>(Non-Executive Director)</i>	9, Jalan 6/6 46000 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dato' Lee Seng Cheng <i>(Non-Executive Director)</i>	2591, Lorong Tun Syed Sheikh Shahbudin 5/3 Taman Lumba Kuda 05250 Alor Setar Kedah	Company Director	Malaysian
Dato' Lee Choon @ Lee Chun <i>(Non-Executive Director)</i>	47, Jalan Yazid Ahmad 70200 Seremban Negeri Sembilan	Company Director	Malaysian
Yuo Kian Leng @ Yeoh Joo Chuan <i>(Non-Executive Director)</i>	166-A, Jalan Sireh Off Jalan Meru, 41050 Klang Selangor Darul Ehsan	Company Director	Malaysian
Mew Jin Seng <i>(Non-Executive Director)</i>	41, Jalan 20/2 46300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dr. Yeong Cheong Thye @ Yeong Yue Chai <i>(Independent Non-Executive Director)</i>	21, Lorong Kota Raja Taman Bukit Seputeh 58000 Kuala Lumpur	Company Director	Malaysian
Teoh Hock Chai @ Tew Hock Chai <i>(Independent Non-Executive Director)</i>	82, Jalan SS2/24 47300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Dr Yeong Cheong Thye @ Yeong Yue Chai	Chairman	Independent Non-Executive Director
Tan Sri Dato' Soong @ Soong Siew Hoong	Member	Non-Executive Director
Teoh Hock Chai @ Tew Hock Chai	Member	Independent Non-Executive Director

2. CORPORATE INFORMATION (CONT'D)

COMPANY SECRETARY	:	Wong Choong Yee (MIA 11084) 11 Jalan SR 7/5 Taman Serdang Raya 43300 Seri Kembangan Selangor Darul Ehsan
REGISTERED OFFICE	:	8 th Floor, Office Tower Plaza Berjaya 12, Jalan Imbi 55100 Kuala Lumpur Tel no. : 03 - 241 0166
REGISTRAR AND TRANSFER OFFICE OF UDPB / UHB	:	M & C Services Sdn Bhd 11 th Floor, Wisma Damansara Jalan Semantan Damansara Heights 50490 Kuala Lumpur
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd (258345-X) 27 th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
PRINCIPAL BANKERS	:	Arab-Malaysian Merchant Bank Berhad 22 nd Floor, Bangunan Arab-Malaysian No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Sabah Bank Berhad Ground Floor, Wisma SPS 32 Jalan Imbi 55100 Kuala Lumpur Asia Commercial Finance (M) Berhad Suite 10.01, Level 10 Menara Lion 165, Jalan Ampang 50450 Kuala Lumpur Perdana Merchant Bankers Berhad 11 th Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur RHB Sakura Merchant Bankers Berhad Level 9, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Standard Chartered Bank Malaysia Berhad 2 Jalan Ampang P.O.Box 13570 50814 Kuala Lumpur Oriental Bank Berhad Ground Floor, Wisma KLIH 126 Jalan Bukit Bintang 55100 Kuala Lumpur

2. CORPORATE INFORMATION (CONT'D)

AUDITORS AND REPORTING ACCOUNTANTS	:	Coopers & Lybrand Public Accountants 22 nd Floor, Plaza IGB Jalan Kampar Off Jalan Tun Razak 50400 Kuala Lumpur
SOLICITORS	:	Azman, Davidson & Co Suite 13.03, 13 th Floor Menara Tan & Tan 207, Jalan Tun Razak 50400 Kuala Lumpur
ADVISER AND MANAGING UNDERWRITER	:	Arab-Malaysian Merchant Bank Berhad 22 nd Floor, Bangunan Arab-Malaysian No. 55, Jalan Raja Chulan 50200 Kuala Lumpur
UNDERWRITERS	:	Arab-Malaysian Merchant Bank Berhad 22 nd Floor, Bangunan Arab-Malaysian No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Perdana Merchant Bankers Berhad 11 th Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur RHB Sakura Merchant Bankers Berhad Level 9, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur
VALUERS	:	CH Williams Talhar & Wong (Sabah) Sdn Bhd 2nd Floor, Lot 2, Block A RHB Bank Building Metro Commercial Centre Jalan Kiambang P.O.Box 60600 91115 Lahad Datu Sabah
LISTING SOUGHT	:	Main Board of the KLSE

3. INTRODUCTION

This Prospectus is dated 29 February 2000.

A copy of this Prospectus has been lodged with and registered by the ROC who takes no responsibility for its contents.

The approval of the SC shall not be taken to indicate that the SC recommends the Public Issue and Offer for Sale, and that investors should rely on their own evaluation to assess the merits and risks of the Public Issue and Offer for Sale.

Application will be made to the KLSE within three (3) market days of the issuance of this Prospectus for admission to the Official List and for the listing of and quotation for the issued and fully paid-up share capital of UDPB including the Public Issue Shares and Offer Shares on the Main Board of the KLSE. These Shares will be admitted to the Official List on the Main Board of the KLSE and official quotation will commence upon receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants. Acceptance of applications for the Offer Shares and Public Issue Shares will be conditional upon permission being granted by the KLSE to deal in and for the quotation of the entire enlarged issued and fully paid-up share capital of the Company on the Main Board of the KLSE. Accordingly, monies paid in respect of any application accepted from the Offer for Sale and Public Issue will be returned if the said permission is not granted.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991 and Section 39(1)(j) of the Companies Act, 1965, the KLSE has prescribed the Company as a CDS counter. In consequence thereof, the Offer Shares and Public Issue Shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these Shares will be carried out in accordance with the aforesaid Acts and the Rules of the MCD.

An applicant for the Public Issue Shares should state his CDS Account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code. As for the Offer Shares, an Entitled Shareholder should state his CDS Account number or the CDS Account number of the authorised nominee appointed by him in the space provided in the Blue Application Form.

The KLSE assumes no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Admission to the Official List of the Main Board of the KLSE is not to be taken as an indication of the merits of the Company or of its shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the Offer for Sale and/or Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by UDPB and/or the Offeror. Neither the delivery of this Prospectus or any Offer for Sale and/or Public Issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the UDPB Group since the date hereof.

The distribution of this Prospectus and the sale of the Offer Shares and/or Public Issue Shares in certain other jurisdictions may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the Offer for Sale and/or Public Issue in any jurisdiction in which such invitation is not authorised or lawful, or to any person to whom it is unlawful to make such an invitation.

The Reporting Accountants' responsibility with regard to the Prospectus does not extend beyond the Accountants' Report, Consolidated Profit Estimate and Forecast and Proforma Consolidated Balance Sheets. The Reporting Accountants have had no involvement in the preparation of this Prospectus, apart from the said report and letters.

If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE

4.1 Share Capital

	RM
Authorised share capital:	
500,000,000 ordinary shares of RM1.00 each	500,000,000
Issued and fully paid-up share capital:	
89,000,000 ordinary shares of RM1.00 each	89,000,000
To be issued pursuant to the Public Issue:	
49,000,000 new ordinary shares of RM1.00 each	49,000,000
	138,000,000
To be offered pursuant to the Offer for Sale:	
25,000,000 ordinary shares of RM1.00 each	25,000,000

There is only one class of shares in the Company, namely ordinary shares of RM1.00 each. The Offer Shares and Public Issue Shares will rank *pari passu* in all respects with the existing ordinary shares of the Company, including voting rights and rights to all dividends that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of the Shares in the Company shall, in proportion to the amount paid up on the Shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions. In respect of the whole of any surplus in the event of liquidation of the Company, such surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with its Articles of Association.

Each shareholder shall be entitled to vote at any general meeting of the Company, in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Share held. A proxy may but need not be a member of the Company.

4.2 Particulars of the Public Issue and Offer for Sale

The Public Issue of 49,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share and the Offer for Sale of 25,000,000 ordinary shares of RM1.00 at an offer price of RM1.50 per share are payable in full on application / acceptance upon such terms and conditions as set out in this Prospectus. The Public Issue/Offer Shares totalling 74,000,000 ordinary shares of RM1.00 each will be allocated in the following manner:-

- (a) 41,400,000 of the Public Issue Shares to be allocated to Bumiputra investors approved by MITI;
- (b) 746,000 of the Public Issue Shares to be allocated to eligible employees of UHB and the UDPB Group;

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

- (c) 25,000,000 of the Offer Shares to be allocated to the Entitled Shareholders of UHB; and
- (d) 6,854,000 of the Public Issue Shares will be made available to the Malaysian public, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside for Bumiputra individuals, companies, societies, co-operatives and institutions.

The Entitled Shareholders of UHB are also eligible to apply for the Public Issue Shares under paragraph (d) even if they decide to accept the offer made to them under paragraph (c) above.

The ordinary shares under paragraph (a) do not require to be underwritten and are therefore not underwritten. Up to 15,761,479 ordinary shares under paragraph (c) and all the ordinary shares under paragraph (b) and (d) above have been fully underwritten at an underwriting commission of 1.75% of the Public Issue / Offer for Sale price of RM1.50 per share. The 15,761,479 Offer Shares have been underwritten as they will form part of the 25% public shareholding spread requirement.

In the event of an oversubscription by the Malaysian public for the ordinary shares under paragraph (d), the underwritten Offer Shares which are not accepted by the Entitled Shareholders of UHB will be used firstly to satisfy the oversubscription. Any underwritten Offer Shares which are not subscribed by the Malaysian public will then be made available for subscription by the Underwriters in proportions stipulated in the Underwriting Agreement dated 23 February 2000.

4.3 Brokerage and Underwriting Commission

Brokerage is payable by UDPB and Offeror at the rate of 1.0% of the Public Issue / Offer for Sale price of RM1.50 per share in respect of successful applications which bear the stamp of Arab-Malaysian, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The Underwriters which have been mentioned earlier in this Prospectus have agreed to underwrite up to 7,600,000 of the Public Issue Shares to be issued to the Malaysian public and the eligible employees of UHB and the UDPB Group, and up to 15,761,479 Offer Shares to be offered to the Entitled Shareholders of UHB. Underwriting commission is payable by UDPB and the Offeror at the rate of 1.75% of the Public Issue / Offer for Sale price of RM1.50 per share for the ordinary shares which are being underwritten.

4.4 Purposes of the Public Issue and Offer for Sale

The purposes of the Public Issue and Offer for Sale are as follows:-

- (a) to enable UDPB to gain access to the capital market and obtain funds for future expansion and growth of the UDPB Group;
- (b) to provide an opportunity for the eligible employees of UHB and the UDPB Group, and the Malaysian public to participate in the equity and continuing growth of the Group;
- (c) to enable UDPB to comply with the National Development Policy on Bumiputra participation in the equity of UDPB; and
- (d) to facilitate the listing of and quotation for UDPB's entire issued and paid-up share capital of 138,000,000 ordinary shares of RM1.00 each on the Main Board of the KLSE and to comply with the listing requirement of the KLSE and SC in respect of the minimum spread.

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

4.5 Proceeds of the Restricted Issue to Executives, Restricted Issue to Directors, Public Issue, Offer for Sale and their utilisation

The Offer for Sale will raise an estimated total gross proceeds of RM37,500,000. This amount shall accrue to the Offeror and no part of the proceeds is receivable by UDPB. The Offeror shall bear all expenses such as underwriting commission, brokerage, registration and share transfer fee relating to the Offer Shares.

All proceeds of the Restricted Issue to Executives, Restricted Issue to Directors and the Public Issue after deducting the related expenses will accrue to UDPB. The estimated total gross proceeds of the Restricted Issue to Executives, Restricted Issue to Directors and Public Issue is RM77,250,000. UDPB will bear all other expenses incidental to the listing of and quotation for UDPB's shares on the Main Board of the KLSE which include underwriting commission, brokerage, registration fee, professional fees, SC fee, advertising and listing expenses and other fees which are estimated to be RM1.5 million.

UDPB intends to utilise the proceeds in the following manner:-

	RM	Notes
Refinance the upgrading of oil mills and plantation development expenditure	20,000,000	(a)
Refinance the acquisitions of five (5) companies owning plantations from Lion Plantations	14,000,000	(b)
Plantation development expenditure to be incurred on the new plantations	4,500,000	(c)
Construction of staff quarters	500,000	(d)
Repayment of amount due to UHB	27,000,000	(e)
Working capital	9,750,000	(f)
Estimated listing expenses	1,500,000	
Total	<u>77,250,000</u>	

Notes :-

(a) *Refinance the upgrading of oil mills and plantation development expenditure* RM20,000,000

An amount of RM20.0 Million from the total proceeds will be used to refinance the upgrading of the Group's two (2) existing palm oil mills and plantation development expenditure which was undertaken in May and July 1997. Term loans had been obtained from the following lenders to wholly-finance the cost of upgrading the mills and development expenditure as detailed hereunder :-

Name of Lender	Limit of Facility RM'000	Amount outstanding as at 31.1.2000		Expiry of Facility
		Before Refinancing RM'000	After Refinancing RM'000	
Arab-Malaysian	20,000	8,320	-	February 2002
Sabah Bank	25,000	5,203	-	September 2000
ACF	16,000	1,395	-	October 2000
		<u>14,918</u>	<u>-</u>	

The balance amounting to RM5.082 million will be utilised as working capital and plantation development expenditure for plantations owned by Zuba. This is expected to result in interest savings of approximately RM2.6 Million per annum.

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

The UDPB Group's mills have been upgraded as follows :-

UDPB

An amount of RM10 Million was allocated to UDPB for the expansion of the palm oil mill from 40 MT per hour to 80 MT per hour of FFB. Expansion work commenced in July 1997 and was completed in August 1998. The total cost incurred for the upgrading process was RM9.3 Million. Further information on the mill is set out in Section 6.5.1 of this Prospectus.

UOMSB

An amount of RM3 Million was allocated to UOMSB for the expansion of the palm oil mill from 30 MT per hour to 40 MT per hour of FFB. Expansion work commenced in May 1997 and was completed in August 1998. The total cost incurred for the upgrading process was RM2.73 Million. Further information on the mill is set out in Section 6.5.1 of this Prospectus.

The upgrading process which has increased production capacity was undertaken to cater for the expected future increase in FFB production from the Group's and non-Group's plantations as a notable percentage of the estates owned by the Group consist of immature, nearing maturity and newly maturing trees.

On the other hand, the plantation development expenditure consisted of expenses incurred for land clearing, planting and maintenance of the estates until maturity. The expenditure also included costs incurred for fencing, drainage and roads within the estates. In total, an amount of approximately RM3.0 Million financed through bank borrowings have been incurred for the development of the UDPB estates.

(b) **Refinance the acquisitions of five (5) companies owning plantations from Lion Plantations** **RM14,000,000**

On 6 March 1998, UCorp, a wholly-owned subsidiary of UDPB entered into a conditional sale and purchase agreement with Lion Plantations, a 70% owned subsidiary of Amsteel Corporation Berhad, to acquire the entire issued and paid-up share capital of five (5) companies which in turn owned approximately 2,917 acres of plantation lands for a total cash consideration of RM19,165,076. The acquisitions was financed through a term loan obtained for an amount of RM14.0 million and internally generated funds of approximately RM5.2 million. The details of the term loan are as follows :-

Name of Lender	Limit of Facility RM'000	Amount outstanding as at 31.1.2000		Expiry of Facility
		Before Refinancing RM'000	After Refinancing RM'000	
Standard Chartered Bank Malaysia Berhad	14,000	14,000	-	July 2003

The purchase consideration for the five (5) companies was arrived at based on the unaudited NTA of the companies after incorporating the market value of the plantation owned by each company. The independent valuation by a firm of independent valuers, CH Williams Talhar & Wong (Sabah) Sdn Bhd was undertaken on 8 September 1998. The plantation land were valued at an open market value of RM16,880,000 based on the comparison method.

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

The details of the companies acquired are as follows :-

Name of Companies	Unaudited NTA as at 31.12.1997	Revaluation Surplus	Total	Effective Equity Interest	Cash consideration
	RM	RM	RM		RM
Fasgro	5,067,031	2,816,623	7,883,654	100%	7,883,654
Segaco	1,917,684	1,075,539	2,993,223	100%	2,993,223
Supercrop	843,125	340,921	1,184,046	100%	1,184,046
Tutico	1,065,436	137,504	1,202,940	100%	1,202,940
Topcrop	4,774,060	1,127,153	5,901,213	100%	5,901,213
				Total	19,165,076

The acquisition of these companies was completed on 1 July 1999.

The details of the land owned by the companies are as follows :-

Owner / Title / Location	Description / Existing Use	Built-Up Area (acres)	Tenure (years)	Net Book Value as at 31.08.99 RM	Open Market Value As Appraised By The Valuer on 8 September 1998 RM	Valuation Approved By The SC RM	
<u>Fasgro</u>							
CL115338906	Cocoa plantation	449.70	99-year lease expiring on 31.12.2078 & 31.12.2079	9,687,875	6,260,000	6,260,000	
CL115339396		225.40					
CL115339592		200.00					
CL115339387		222.70					
CL115338880		29.74					
CL115348386		17.21					
CL115338899		29.94					
Lahad Datu District, Sabah							
<u>Segaco</u>							
CL115339645	Cocoa plantation	446.0	99-year lease expiring on 31.12.2078	3,472,464	2,450,000	2,450,000	
Lahad Datu District, Sabah							
<u>Supercrop</u>							
CL115342160	Cocoa plantation	206.8	99-year lease expiring on 31.12.2079	1,313,410	1,030,000	1,030,000	
Lahad Datu District, Sabah							
<u>Topcrop</u>							
CL115339636	Cocoa plantation	442.70	99-year lease expiring on 31.12.2078	5,905,311	5,890,000	5,890,000	
CL115339627		436.60					
Lahad Datu District, Sabah							
<u>Tutico</u>							
CL115342151	Cocoa plantation	210.1	99-year lease expiring on 31.12.2079	1,173,205	1,250,000	1,250,000	
Lahad Datu District, Sabah							
				Total	21,552,265	16,880,000	16,880,000

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

The Company will utilise RM14.0 Million from the total proceeds to repay the bank borrowings. This is expected to result in interest savings of approximately RM1.12 Million per annum to the Group.

(c) **Plantation development expenditure to be incurred on the new plantations** **RM4,500,000**

The 2,917 acres of leasehold lands owned by the five (5) companies were previously cultivated with cocoa and were acquired from Lion Plantations free from charges, liens or encumbrances. UCorp is expected to incur RM1,500.00 per acre amounting to approximately RM4.5 Million to convert the lands into oil palm plantations. The lands had been replanted with oil palm in November 1999.

(d) **Construction of staff quarters** **RM500,000**

The total construction cost of the quarters to accommodate the managers and estate staff is estimated at RM0.5 Million. The construction of the quarters which will involve a built-up area of 30,600 sq. ft. commenced in June 1998 and was completed in December 1999. The staff quarters comprise of two (2) concrete blocks with four (4) units per block measuring 412 sq. metres per block. Upon completion of the construction, 49 employees of the Group will occupy these new quarters.

(e) **Repayment of amount due to UHB** **RM27,000,000**

An amount of RM27.0 Million will be used to repay the amount due to UHB by UCorp. RM8.522 Million was used by Ucorp to finance the acquisition of twelve (12) companies which are presently wholly-owned subsidiaries of UCorp. The details of the acquisitions are as follows:-

Name of Companies	Vendors	Year of Acquisition	Audited NTA As At 31.8.99 RM'000	Effective equity interest %	Cash Consideration RM'000
Estecomplan	• Wong Oi Kean @ Wong Lee Ken	1992	2,225	100	148
Jimery	• Metah bin Asang @ Michael Asang	1992	1,509	100	148
	• Wong Oi Kean @ Wong Lee Ken				
Lajung Kelapa Sawit	• Metah bin Asang @ Michael Asang	1991	636	100	147
	• Lee Hock Yin				
Kesan Jaya Puuvun	• Agnes Chin Tai Moi	1992	626	100	147
	• Yap Fui Liam @ Chiam Nyit Leong				
Builtec	• Lim Cher Seng	1993	2,811	100	522
	• Lim Cher Seng				
	• Tew Jau Chai				
Mautas	• Lim Cher Seng	1995	467	100	365
	• Pang Hin Fah @ Pang Seen Hah				
Marga Jaya	• Lim Cher Seng	1995	915	100	375
	• Pang Hin Fah @ Pang Seen Hah				
Tekad Murni	• Lim Cher Seng	1995	1,319	100	365
	• Pang Hin Fah @ Pang Seen Hah				
Sri Kundasang	• Lim Cher Seng	1995	4,954	100	2,550
	• Pang Hin Fah @ Pang Seen Hah				
Zutaland	• Lim Cher Seng	1993	1,883	100	320
	• Tew Jau Chai				
Longlive	• Lim Cher Seng	1997	2,484	100	2,435
	• Pang Hin Fah @ Pang Seen Hah				
	• Lim Cher Seng	1997	1,085	100	1,000
	• Pang Hin Fah @ Pang Seen Hah				
				Total	8,522

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

This is expected to result in interest savings of approximately RM2.70 Million per annum. The balance amounting to approximately RM18.478 Million was used for the plantation development expenditure on the estates acquired.

Further details on the twelve (12) companies are set out in Section 6.8 of this Prospectus.

(f) Working capital RM9,750,000

Approximately RM9.750 Million from the total proceeds will be allocated for working capital purposes of the Group whereby part of this amount will be used to replenish the internally generated funds used to part-finance the acquisition of the five (5) companies from Lion Plantations.

5. INDUSTRY OVERVIEW

5.1 Palm Oil Industry**(i) Industry Growth For The Past Five (5) Years**

The growth of the palm oil industry in Malaysia for the past five (5) years from 1994 to 1998 are as follows :-

	1994	1995	1996	1997	1998
Area ('000 ha) :					
Planted	2,412	2,540	2,692	2,819	3,078
Mature	2,144	2,243	2,353	2,455	2,597
Production ('000 tonnes) :-					
CPO	7,221	7,811	8,386	9,069	8,320
Yield Per Mature Hectare (MT) :-					
CPO	3.43	3.50	3.55	3.69	3.02
Export Values ('000 tonnes) :					
Palm Oil	6,864	6,809	7,324	7,609	7,250
Export Values (RM million) :					
Palm Oil	8,365	10,169	9,436	10,810	16,458

Despite increased competition from other major producers, Malaysia maintained its lead position as the world's largest producer of crude palm oil, accounting for 50% of the world's production. Indonesia, the next largest palm oil producing country, accounted for a share of only 31.1%.

Source : Bank Negara Annual Reports 1994-1998

PORLA Palm Oil Statistics 1998

Business Times, "Bumper Year For Commodities Seen", 22 April 1998

(ii) Government Legislation, Policies And Incentives

The Malaysian palm oil industry is an important component of the Malaysian economy, specifically the agricultural sector. This industry is a major source of revenue to the government and has provided employment opportunities to many. Given the strong world demand for palm oil and to sustain Malaysia's position as the world's largest producer and exporter of palm oil, the government has taken numerous steps to promote the growth of the industry and meet the ever-changing needs of the industry and consumers of palm oil. Through its strong commitment to research and development, much emphasis has been placed on improving the production efficiency at various levels so as to increase yields, quality as well as reducing wastage. To encourage the demand for palm oil products, consistent efforts are being made in research and development to diversify the end-uses of palm oil and recycling of oil palm trees. PORIM, the government agency which was set up to organise and manage research pertaining to palm oil and oil palm, has commissioned 120 studies in 38 reputable research and development institutions all over the world to carry out nutritional studies on palm oil.

5. INDUSTRY OVERVIEW (CONT'D)

In addition, the government continues to pursue its marketing policy by holding seminars, conferences, educational visits, issuing publications and trade missions to disseminate up-to-date information on palm oil. Malaysia is also seeking trade and investment opportunities abroad in countries such as Columbia, Guyana and Honduras in order to tap new markets overseas. The promotional activities are also continuously undertaken, locally and abroad to create awareness about palm oil and its versatility. The government had also introduced incentives to encourage replanting programmes to maintain high productivity and building of refineries to initiate undertakings into downstream activities.

(iii) Industry Life - Cycle

The Malaysian palm oil industry has experienced rapid growth during the last three decades to become an important participant in the world oils and fats market today. The aggressive pursuit of oil palm cultivation in Malaysia which began in the mid-sixties was basically to reduce the heavy economic dependence on rubber and tin and to enhance the country's economic resilience in the face of wide price fluctuations in the world's commodity markets. Continuous and consistent efforts made in research and development, and concerted marketing initiatives are among the key strengths that contributed towards the impressive development of the Malaysian palm oil industry. However, the industry has the potential to expand even further with the discoveries of downstream products through research and development involving the manufacture of specialty fat products, oleochemicals and derivatives. According to the Federation of Malaysian Manufacturer, palm oil-based oleochemicals are more environmentally-safe and healthier to users, and it increases the diversity and versatility of the end-uses of palm oil.

In view of the on-going changes and developments that are taking place in the industry, it can be said that the palm oil industry is still growing and with the strong support and commitment of the Malaysian government, the industry will be able to continue its steady upward climb.

(iv) Labour Intensive Industry

The palm oil industry is traditionally a labour intensive industry. Manual labour is widely used in estates, especially in the planting and maintenance of oil palm trees as well as harvesting of the FFB. Recently, buffaloes are used as a means of transporting FFB in the plantations as they are more cost effective and adaptable to the various terrain conditions on the estates. Oil palm's continuous production of fruit throughout the year is a major advantage over annual oil crops which permits efficient utilisation of labour. On the other hand, mechanisation is more apparent in the palm oil mills where heavy machinery is employed, allowing for large amounts of FFB to be processed as well as ensuring high quality of palm oil to be produced.

(v) Industry Dynamics**(a) Nature of industry**

CPO processed by palm oil mills all around Malaysia is traded in the market as one product. The quality of CPO is controlled by standards set by PORIM, which also defines the physical and chemical parameters of the various refined palm oil in the market. As there is no product differentiation in the CPO market such that palm oil can be considered a homogeneous product, the nature of the industry approximates to that of perfect competition. Therefore, there is virtually no price variance between CPO produced from different plantations.

5. INDUSTRY OVERVIEW (CONT'D)

(b) Stability of Revenues And Elasticity of Demand

Palm oil supply does not fluctuate wildly and total production can easily be projected based on the area of matured hectareage. Therefore, the major determinant of price and revenue is the elasticity of demand for palm oil.

The increase in the consumption of palm oil is dependent on two factors, namely increase in world population and increase in per capita consumption. Growth in world population, especially in most developing countries, coupled with the growing affluence experienced in these countries will translate into higher and increasing demand for edible oil. Since perennial oil palm is the most productive oil crop as it yields more than any other oil-bearing plant, the increase in demand can only be met by palm oil because the production of substitutes like soybean and rape seed oils are not likely to increase any further in the years ahead. Per oil production of the oil palm is about 5 times and 9 times greater than that of groundnut and soybean respectively.

Nevertheless, competition from lower priced substitutes due to excess of supply such as soybean oil, sunflower seed oil and rapeseed oil, and also competition other palm oil producing countries such as Indonesia who recently reduced the tax imposed on palm oil exports from 60% to 10% thereby creating an abundance of supply in the market, may have an adverse impact on the profitability of local producers.

(vi) Outlook And Growth For The Industry

The prospects for the palm oil industry in the near future is bright. The prediction by many industry analysts is that the demand for palm oil is going to rise in tandem with an increasing world population, especially in developing countries, such as in the major markets of China, India and Pakistan. Collectively, these three markets bought approximately 42% of Malaysia's total palm oil exports in 1996. Together with aggressive promotion of palm oil by Malaysian palm oil authorities overseas, palm oil will be able to capture a larger share of the world's edible oils and fats market.

Nevertheless, the future prospects and growth of the palm oil industry will also be influenced by the following factors :-

Price Advantage

CPO is currently trading at a discount of about USD25 - USD 30 per tonne to soybean oil. On average, palm oil has been trading at a 11.1% discount to soybean oil since 1983.

5. INDUSTRY OVERVIEW (CONT'D)

Increasing Market Share

Palm oil has managed to increase its market share of the world edible oil market, posting the highest production growth rate among all edible oils. In the past 16 years, palm oil production had risen nearly 300%, up from 4.1 Million tonnes to 16.1 Million tonnes, whereas soybean oil production had only risen 50.8% from 13.3 Million tonnes to 20.1 Million tonnes. Authorities on the world's oil and fats trade are bullish about the future demand for palm oil saying that it may even capture more than 46% of the international export trade in oil and fats by year 2005 compared to the current 38%. In contrast, soybean currently captures 21%, rape seed 6%, laurics 9%, animal fats 11% and others 15%. Other oils consist of sunflower oil, coconut oil, olive oil, linseed oil, castor oil and others.

Increased Marketing

The marketing activities by PORIM, including the Palm-Oil Familiarisation Programme which involved 42 participants from 26 countries, are beginning to bear results in terms of increased international awareness of palm oil product and their benefits. The results are also seen in terms of international acceptance of the products.

Reduction in tariff

China, being the third biggest market for Malaysian palm oil after Pakistan and India, had already reduced its import duty on refined palm oil from 18% to 12%. The revision has made palm oil more attractive to import as compared to its major competitor, soybean oil as the import duty on soybean oil has remained unchanged at 13%. South Africa has also announced its intention to lower import tariff on Malaysian CPO.

New breakthroughs in research & development

The recent advances in the palm-oil extraction technology, such as the Concept-P filter system, has increased the efficiency and quality of output. Also, new uses of palm oil have been recently developed such as palm-oil based santan powder, all-purpose cooking fat, pulp and paper, and detergent.

Lifting of Freeze on Foreign Labour in Plantations

The announcement by the Government in November 1997 on the lifting of the freeze on foreign workers would lessen the labour constraints on the industry and reduce employment costs.

Merger of PORLA and PORIM

The proposed merger of the two palm oil agencies, namely PORLA and PORIM, will make the industry even more effective and efficient, as amongst other things, the merger will be able to eliminate inter agency co-ordination problems. The research & development and marketing efforts of the newly merged agency will continue to give Malaysian palm oil the competitive edge over the oils produced by other countries.

5. INDUSTRY OVERVIEW (CONT'D)

Increase in Malaysian Production Numbers

As Malaysia continues to lead the world in palm oil production, it is estimated that Malaysia will produce 8.3 million tonnes of palm oil accounting for slightly less than 50% of the world production of the commodity.

Maintenance of Current CPO Price Level

The current CPO price level may be maintained in view of the recent developments of soybean oil. Due to extreme dry weather conditions, the expectation of a bumper soybean crop in the United States is unlikely to materialise. Based on official projections, the soybean production is estimated to be lower than expected due to lower yield. Therefore, the tight supply outlook for soybean oil will in turn allow the CPO to be traded at current price levels. Any shortfall in the soybean production will have a strong bearing on the world demand and supply of edible oils and fats as soybean oil is the single largest oil consumed in the world.

In addition, about 50% of the soybean area in the United States is planted with genetically-modified crop. With the growing resistance and rising concerns towards genetically-modified crop amongst food manufacturers and consumers, the demand for soybean may be adversely affected and substitutes such as palm oil stand to benefit.

On the other hand, India which has been an active buyer of palm oil has indicated its intention to increase its purchase of palm oil due to shortage of domestic supply of groundnut oil as a result of drought.

Maintenance of Profit Margins

According to Jardine Fleming Research, the cost of production for CPO averages between RM600-700 per tonne. The last time CPO prices fell below the industry's break-even level of RM700 per tonne was in 1986 and at current price level of about RM1,150 per MT (as at January 2000), plantation companies are likely to enjoy gross profits of approximately 46-54%.

Source : Jardine Fleming Research "Packing The Planters' Punch", 1 March 1998
Business Times, "Malaysia Ready To Held Latin America Palm Oil Businesses", 8 September 1997
Business Times, "PORIM's New Method To Improve CPO Quality", 9 September 1997
Business Times, "R&D, Marketing Key To Success Of Palm Oil Industry", 17 September 1997
Business Times, "Haze Will Affect Palm Oil Production", 4 November 1997
Business Times, "Government To Lift Freeze On Foreign Workers", 25 November 1997
Business Times, "CPO Export Ban To Be Lifted", 10 March 1998
The Star, "South Africa May Lower Tariff On Our Palm Oil", 10 September 1997
The Star, "Bright Prospects For The Palm Oil Sector At Dawn Of New Millennium", 16 February 1998
The Star, "PORLA And PORIM Set To Merge Before Year End", 9 March 1998
Business Times, "Bumper Year For Commodities Seen", 22 April 1998
Business Times, "Indonesia Lifts CPO Ban, But Slaps Tax On Exports", 23 April 1998

5. **INDUSTRY OVERVIEW (CONT'D)**

(vii) Future Plans Of The UDPB Group

In view of the bright future of the palm oil industry, the Group plans to further expand its businesses as follows :-

- (a) to expand its land bank for plantation development, locally and abroad. It has already embarked upon this through one of its subsidiaries, UCorp which has acquired the entire issued and paid-up share capital of the five (5) companies from Lion Plantations and Zuba which in turn own approximately 5,409 acres of land which was previously cultivated with cocoa and has been converted into oil palm plantations recently.
- (b) to upgrade its milling capacity in anticipation of the expected future increase in FFB production from the Group's and non-Group's plantations as a notable percentage of the Group's plantations consist of immature, nearing maturity and newly maturing trees.
- (c) to diversify into other plantation-based activities at the appropriate time if economically viable.

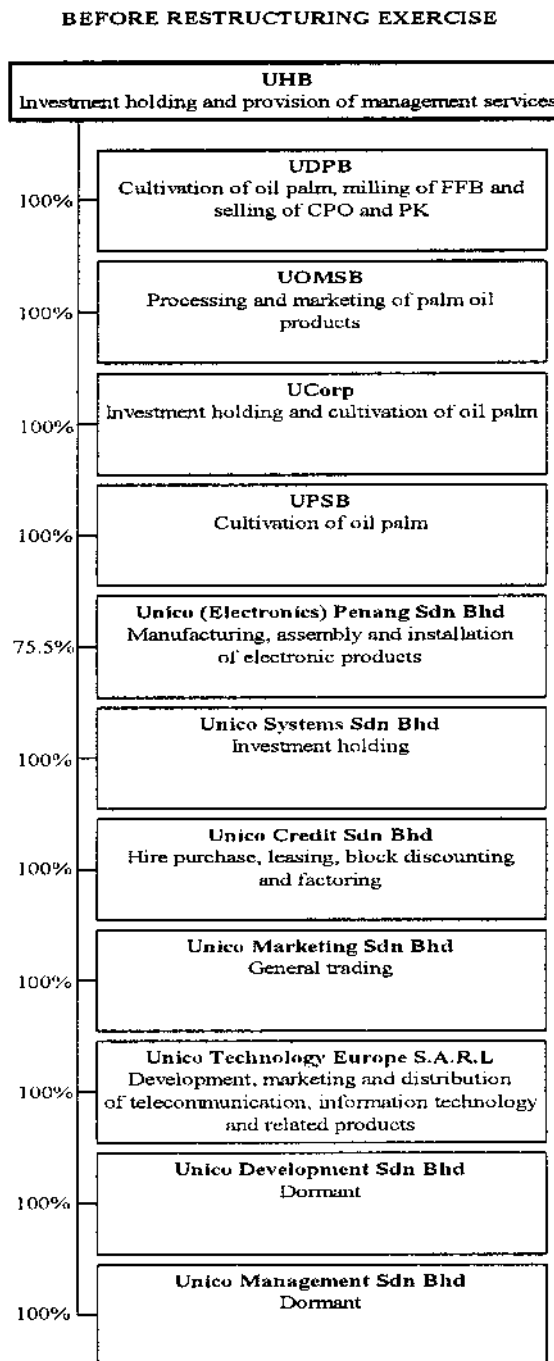
Taking into consideration the continuous and ever-increasing global demand for palm oil, the on-going changes and developments that are taking place within the palm oil industry, coupled with the aggressive marketing and promotion undertaken by the Malaysian palm oil authorities, it is envisaged that the Group will be in a position to derive the anticipated benefits from the industry as a result of Malaysia's strong foothold in the world's oils and fats market.

6. INFORMATION ON UDPB GROUP

6.1 Incorporation

UDPB was incorporated in Malaysia on 11 December 1981 as a private limited company under the Companies Act, 1965 as Unico-Desa Plantations Sdn Bhd. The Company was converted into a public limited company on 1 April 1998 and assumed its present name.

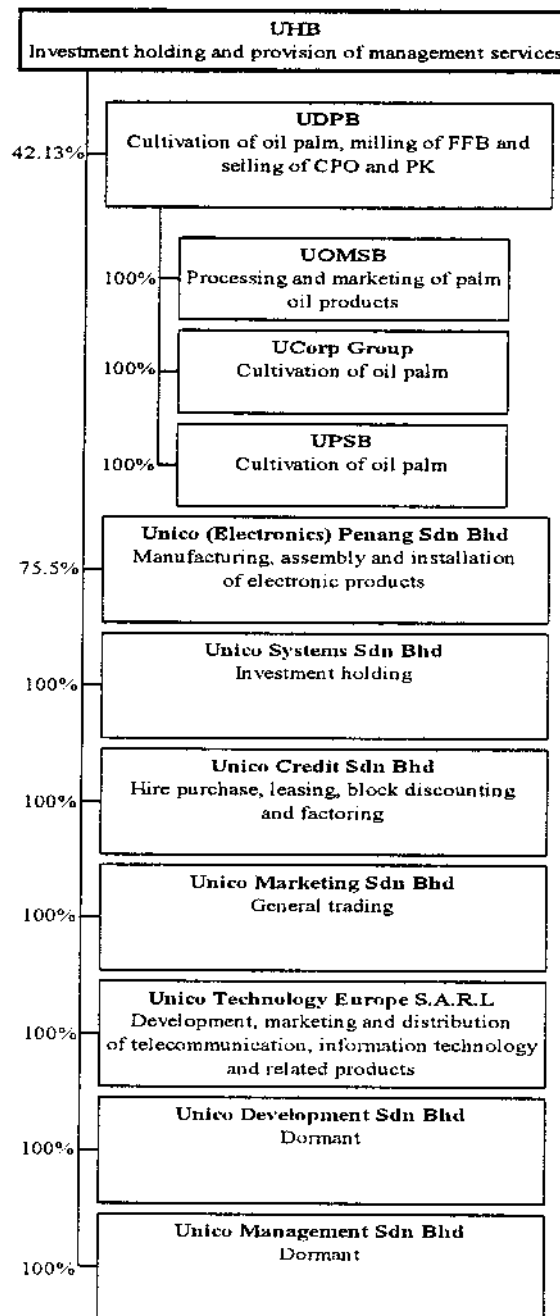
Prior to the Restructuring Exercise, UDPB is a wholly-owned subsidiary of UHB. The corporate structure of the UHB group of companies before and after the Restructuring Exercise are as follows :-



* UDPB is seeking listing on the Main Board of the KLSE.

6. INFORMATION ON UDPB GROUP (CONT'D)

AFTER RESTRUCTURING EXERCISE



* Upon listing of UDPB, the Company will be 42.13% owned by UHB.

The UDPB Group's corporate structure after the Restructuring Exercise is set out under Section 1.1 of this Prospectus.

6.2 Share Capital and Changes in Share Capital

The present authorised and issued and the paid-up share capital are RM500,000,000 and RM89,000,000 respectively comprising ordinary shares of RM1.00 each.

6. INFORMATION ON UDPB GROUP (CONT'D)

The changes in the issued and paid-up share capital of UDPB since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
11.12.81	2	1.00	Subscriber's shares	2
17.04.84	9,998	1.00	Cash	10,000
30.12.88	4,990,000	1.00	Cash	5,000,000
08.02.2000	543,323	1.00	Issued at RM26.97 per share pursuant to the Acquisition of UOMSB	5,543,323
08.02.2000	1,236,236	1.00	Issued at RM26.97 per share pursuant to the Acquisition of UCorp	6,779,559
08.02.2000	43,907	1.00	Issued at RM26.97 per share pursuant to the Acquisition of UPSB	6,823,466
08.02.2000	28,613,300	1.00	Capitalisation of amount due to UHB	35,436,766
16.02.2000	1,500,000	1.00	Issued at RM1.50 per share pursuant to the Restricted Issue to Executives	36,936,766
16.02.2000	1,000,000	1.00	Issued at RM1.50 per share pursuant to the Restricted Issue to Directors	37,936,766
18.02.2000	51,063,234	1.00	Issued pursuant to the Bonus Issue at a ratio of 135 : 100	89,000,000

6.3 Profit and Dividend Record

A summary of the audited accounts of UDPB for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 is as follows:

	← Financial Years Ended 31 March →					Five (5) months period ended
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	31.8.99 RM'000
Turnover	18,704	24,617	30,612	53,923	78,957	26,070
PBT	8,165	9,637	8,025	20,241	37,084	10,131
Less : Taxation	-	-	-	(2,100)	(3,516)	(4,200)
PAT	8,165	9,637	8,025	18,141	33,568	5,931
MI	-	-	-	-	-	-
PAT after MI	8,165	9,637	8,025	18,141	33,568	5,931
No. of ordinary shares in issue ('000)	5,000	5,000	5,000	5,000	5,000	5,000
Gross EPS (RM)	1.63	1.93	1.61	4.05	7.42	* 4.86
Net EPS (RM)	1.63	1.93	1.61	3.63	6.71	* 2.85
Gross dividend rate (%)	-	-	-	150	100	380

* Annualised

6. INFORMATION ON UDPB GROUP (CONT'D)*Notes :-*

- (a) For the financial year ended 31 March 1996, the increase in turnover was due to the increase in the FFB yield.
- (b) For the financial year ended 31 March 1997, the lower profit before tax was due to the reduction in FFB prices, increase in operating costs incurred for the new palm oil mill which only commenced operations in the second half of the financial year and the costs incurred in upgrading infrastructure in the estates.
- (c) For the financial years ended 31 March 1998 and 1999, the increase in turnover and profit before tax was due to the increase in matured areas and average FFB price.
- (d) There were no exceptional and extraordinary items in respect of all the financial years under review.

6.4 Restructuring Exercise

The listing of UDPB was approved by the SC on 5 February 1999, MITI on 18 June 1998 and 17 December 1998, and FIC on 18 July 1998 and 14 January 1999. In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of UDPB on the Main Board of the KLSE, the Company undertook a restructuring exercise which involved the following :-

i) Revaluation Exercise

The properties of UDPB, UOMSB, UCorp Group and UPSB have been revalued on 27 October 1997, 29 October 1997 and 15 August 1998 respectively together with a letter of validation dated 21 August 1998 by an independent professional valuer, CH Williams Talhar & Wong (Sabah) Sdn Bhd based on the respective open market value of the properties using the comparison, investment, replacement cost and nett replacement cost methods of valuation. On 5 February 1999, the SC approved a total revaluation surplus of RM82,074,551 for the revaluation of the properties of the UDPB Group as follows :-

Owner/Title/Location/Description	Open Market Value As Appraised By The Valuer On 15 August 1998	Valuation Approved By The SC	Audited Net Book Value As At 31 March 1998	Revaluation Surplus / (Deficit)
	RM	RM	RM	RM
UDPB (Oil palm plantation and palm oil mill)				
CL095316475	170,952,000	165,200,000	112,145,143	53,054,857
CL095316484				
CL095316493				
CL095316500				
CL095316519				
CL095316528				
CL095316537				
District of Kinabatangan, Sabah				
UOMSB (Palm oil mill)				
CL115357438	8,500,000	8,500,000	6,606,627	1,893,373
CL115360186				
CL115360195				
District of Lahad Datu, Sabah				

6. INFORMATION ON UDPB GROUP (CONT'D)

Owner/Title/Location/Description	Open Market Value As Appraised By The Valuer On 15 August 1998	Valuation Approved By The SC	Audited Net Book Value As At 31 March 1998	Revaluation Surplus / (Deficit)
	RM	RM	RM	RM
UCorp Group (Oil palm plantation)				
CL095322820	64,850,000	61,100,000	33,659,289	27,440,711
CL095322839				
CL095317221				
CL095317212				
CL095317481				
CL095317543				
CL095316251				
CL095317356				
CL095317365				
CL095317374				
CL095317847				
CL095319010				
CL095318068				
CL095317838				
CL095317829				
CL095317178				
CL095321369				
CL095314579				
District of Kinabatangan, Sabah				
UPSB (Oil palm plantation)				
CL115333438	1,500,000	1,200,000	1,514,390	(314,390)
District of Lahad Datu, Sabah				
TOTAL	245,802,000	236,000,000	153,925,449	82,074,551

ii) Acquisition of UOMSB

Acquisition of 6,500,000 ordinary shares of RM1.00 each representing the entire equity interest of UOMSB for a purchase consideration of RM14,653,433 based on the NTA of UOMSB as at 31 March 1998 of RM12,760,070 after adjusting for a revaluation surplus of RM1,893,373.

The purchase consideration was satisfied by the issuance of 543,323 new Shares in UDPB at an issue price of about RM26.97 per Share to the following vendor :-

Vendor	No of UOMSB shares acquired by UDPB	% equity in UOMSB	No of ordinary shares in UDPB issued
UHB	6,500,000	100.00	543,323
Total	6,500,000	100.00	543,323

The conditional sale and purchase agreement was signed on 12 October 1999 and the Acquisition of UOMSB was completed on 8 February 2000.

6. INFORMATION ON UDPB GROUP (CONT'D)**iii) Acquisition of UCorp**

Acquisition of 2,000,000 ordinary shares of RM1.00 each representing the entire equity interest of UCorp for a purchase consideration of RM33,341,292 based on the NTA of UCorp Group as at 31 March 1998 of RM5,900,581 after adjusting for a revaluation surplus of RM27,440,711.

The purchase consideration was satisfied by the issuance of 1,236,236 new Shares in UDPB at an issue price of about RM26.97 per Share to the following vendor :-

Vendor	No of UCorp shares acquired by UDPB	% equity in UCorp	No of ordinary shares in UDPB issued
UHB	2,000,000	100.00	1,236,236
Total	2,000,000	100.00	1,236,236

The conditional sale and purchase agreement was signed on 12 October 1999 and the Acquisition of UCorp was completed on 8 February 2000.

iv) Acquisition of UPSB

Acquisition of 1,528,541 ordinary shares of RM1.00 each representing the entire equity interest of UPSB for a purchase consideration of RM1,184,174 based on the NTA of UPSB as at 31 March 1998 of RM(29,975) after adjusting for a revaluation deficit of RM314,390 and capitalisation of the amount owing to UHB by UPSB of RM1,528,539.

The purchase consideration was satisfied by the issuance of 43,907 new Shares in UDPB at an issue price of about RM26.97 per Share to the following vendor :-

Vendor	No of UPSB shares acquired by UDPB	% equity in UPSB	No of ordinary shares in UDPB issued
UHB	1,528,541	100.00	43,907
Total	1,528,541	100.00	43,907

The conditional sale and purchase agreement was signed on 12 October 1999 and the Acquisition of UPSB was completed on 8 February 2000.

The issue price for the Acquisitions was arrived at based on the audited NTA per share of UDPB as at 31 March 1998. The audited NTA per share of UDPB of approximately RM26.97 per share had been based on the adjusted audited NTA of UDPB as at 31 March 1998 of RM134,834,813 (after adjusting the audited NTA of RM81,779,956 for a revaluation surplus of RM53,054,857) and the issued and paid-up share capital of RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each (prior to the Restructuring Exercise).

v) Capitalisation of amount due to UHB

Conversion of RM28,613,300, being the amount owing to UHB by UDPB, into equity on the basis of one (1) ordinary share of RM1.00 each in UDPB for every RM1.00 debt. The conversion of the amount due to UHB into equity was completed on 8 February 2000.

6. INFORMATION ON UDPB GROUP (CONT'D)

vi) Restricted Issue to Executives

UDPB implemented a restricted issue of 1,500,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share to the executives of UHB and the UDPB Group.

Details of the utilisation of proceeds from the Restricted Issue to Executives are set out in Section 4.5 of this Prospectus. The Restricted Issue to Executives was completed on 16 February 2000.

vii) Restricted Issue to Directors

UDPB implemented a restricted issue of 1,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share to the following directors of UHB and the UDPB Group:-

Names of Directors	No. of shares
Dato' Lim Guan Teik (<i>Chairman of UHB and Member of the Executive Committee of UHB</i>)	90,000
Tan Sri Lim Geok Chan @ Lim Yock Ching (<i>Chairman of the Executive Committee of UHB</i>)	90,000
Tan Sri Ngan Ching Wen	130,000
Dato' Seri Lim Gait Tong (<i>Member of the Executive Committee of UHB</i>)	60,000
Quek Suan Hiang @ Quek Chee Hiang (<i>Member of the Executive Committee of UHB</i>)	60,000
Tan Kai Hee (<i>Member of the Executive Committee of UHB</i>)	60,000
Tan Sri Dato' Soong @ Soong Siew Hoong	60,000
Yuo Kian Leng @ Yeoh Joo Chuan	60,000
Mew Jin Seng	60,000
Dato' Lee Seng Cheng	60,000
Dato' Lee Choon @ Lee Chun	60,000
Goh Kok Kee @ Goh Ewe Boon (<i>Director of UHB</i>)	35,000
Yap Fock On (<i>Director of UHB</i>)	35,000
Lai Swee Chin @ Lai Swee Sang (<i>Director of UHB</i>)	35,000
Dato' Chan Woot Khoon (<i>Director of UHB</i>)	35,000
Khor Seong Mooi (<i>Director of UHB</i>)	35,000
Teo Siang Ann (<i>Director of UHB</i>)	35,000
	1,000,000

Details of the utilisation of proceeds from the Restricted Issue to Directors are set out in Section 4.5 of this Prospectus. The Restricted Issue to Directors was completed on 16 February 2000.

viii) Bonus Issue

UDPB implemented a bonus issue of 51,063,234 new ordinary shares of RM1.00 each on the basis of approximately one hundred and thirty-five (135) new ordinary shares for every hundred (100) existing shares held. The Bonus Issue was capitalised from the revaluation reserve and unappropriated profits of the Company.

The Bonus Issue was completed on 18 February 2000.

6. INFORMATION ON UDPB GROUP (CONT'D)**ix) Public Issue and Offer for Sale**

UDPB will issue 49,000,000 new ordinary shares of RM1.00 each or 35.5% of its enlarged issued and paid-up share capital at an issue price of RM1.50 per share pursuant to the Public Issue. In addition, the existing shareholder of UDPB, namely UHB, will also offer 25,000,000 ordinary shares of RM1.00 each representing approximately 18.11% of the enlarged issued and paid-up share capital of UDPB at an offer price of RM1.50 per share to the Entitled Shareholders of UHB.

x) Listing

The enlarged issued and paid-up share capital of UDPB of 138,000,000 ordinary shares of RM1.00 each will be listed on the Main Board of the KLSE.

6.5 Business Overview

The Group's principal activities are in the cultivation of oil palm, milling of FFB, processing and marketing of palm oil products. The total FFB from matured areas and CPO production and contribution to the turnover and PBT of the UDPB Group for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 which has been based on the audited proforma consolidated results of the UDPB Group are as follows :-

Year ended 31 March	1995	1996	1997	1998	1999	Five (5) months period ended 31.8.99
FFB Production (MT)	80,219	111,280	148,927	154,842	159,540	83,284
CPO Production (MT)	22,323	27,816	34,999	53,093	56,182	28,562
PK (MT)	5,454	6,723	8,076	11,623	12,768	5,713

Type of Activities	←-----Contribution to Group Turnover-----→					
	%	%	%	%	%	%
Plantations (FFB)	51.51	49.55	49.25	49.84	50.34	41.34
Milling : CPO	39.35	41.22	40.84	42.51	39.76	45.58
: PK	9.14	9.23	9.91	9.22	9.90	13.08
	100.0	100.0	100.0	100.0	100.0	100.0

Type of Activities	←-----Contribution to Group PBT-----→					
	%	%	%	%	%	%
Plantations (FFB)	84.24	68.20	73.49	93.53	101.51	102.57
Milling (CPO & PK)	15.76	31.80	26.51	6.47	(1.51)	(2.57)
	100.0	100.0	100.0	100.0	100.0	100.0

As PK is a by-product of the milling process, the contribution of PK towards the PBT of the Group is insignificant.

The CPO and PK produced by the Group are sold in the domestic market, namely to the local refineries, for the purposes of producing refined palm oil and PK oil.

6. INFORMATION ON UDPB GROUP (CONT'D)

6.5.1 Products and Service

UDPB Group's activities can be divided into:-

Cultivation of Oil Palm :-

The Group has a total of 21 estates with a combined land area of 12,140.10 ha. The total land area planted with oil palm is 11,440.64 ha. Details of the Group's estates are stated under Section 6.7. The Group's oil palm plantations are located in the state of Sabah, mainly in the District of Kinabatangan and Lahad Datu.

The breakdown of the plantations and the usage of the estates are as follows :-

Estate (ha)	←-----Planted-----→		Others *	Total Area
	Mature	Immature		
UDPB	6,414.10	-	415.50	6,829.60
UCorp	33.70	-	10.12	43.82
Esteemplan	188.50	-	12.00	200.50
Jimery	176.60	-	22.80	199.40
Lajung Kelapa Sawit	191.90	-	5.90	197.80
Kesan Jaya	190.81	-	7.29	198.10
Puuvun	353.40	-	30.60	384.00
Builtec	185.97	-	10.93	196.90
Mautas	184.20	-	18.30	202.50
Marga Jaya	188.72	-	8.18	196.90
Tekad Murni	631.29	-	107.86	739.15
Sri Kundasang	204.00	-	31.30	235.30
Zutaland	-	181.91	15.29	197.20
Longlive	-	77.56	3.39	80.95
Fasgro	-	475.39	-	475.39
Topcrop	-	355.85	-	355.85
Segaco	-	180.49	-	180.49
Tutico	-	85.03	-	85.03
Supercrop	-	83.69	-	83.69
Zuba	-	1,008.97	-	1,008.97
UPSB	-	48.56	-	48.56
	8,943.19	2,497.45	699.46	12,140.10

* Other areas generally represent estate roads, buildings, school and housing sites, quarry and areas unplatable consisting of swamps, lakes, ponds, rocks and streams

6. INFORMATION ON UDPB GROUP (CONT'D)

The ageing of the oil palm trees on the estates and the respective land area in hectare are as follows :-

Year of planting Age of Trees	1987 12	1988 11	1989 10	1990 9	1991 8	1992 7	1993 6	1994 5	1995 4	1996 3	1997 2	1998 1	1999 0	Total	
UDPB	1,157.30	302.20	1,158.90	1,180.22	1,283.92	1,331.56	-	-	-	-	-	-	-	6,414.10	
UCorp	-	-	-	-	-	-	-	-	33.70	-	-	-	-	33.70	
Esteemplan	-	-	-	-	-	-	188.50	-	-	-	-	-	-	188.50	
Jimery	-	-	-	-	-	-	176.60	-	-	-	-	-	-	176.60	
Lajung Kelapa	-	-	-	-	-	-	-	-	191.90	-	-	-	-	191.90	
Sawit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Kesan Jaya	-	-	-	-	-	-	-	-	190.81	-	-	-	-	190.81	
Puavun	-	-	-	-	-	-	353.40	-	-	-	-	-	-	353.40	
Buitec	-	-	-	-	-	-	-	-	185.97	-	-	-	-	185.97	
Mautas	-	-	-	-	-	-	-	184.20	-	-	-	-	-	184.20	
Marga Jaya	-	-	-	-	-	-	-	188.72	-	-	-	-	-	188.72	
Tekad Murni	-	-	-	-	-	39.22	-	156.51	435.56	-	-	-	-	631.29	
Sri Kundasang	-	-	-	-	-	-	170.00	-	-	34.00	-	-	-	204.00	
Zutaland	-	-	-	-	-	-	-	-	-	181.91	-	-	-	181.91	
Longlive	-	-	-	-	-	-	-	-	-	77.56	-	-	-	77.56	
Fasgro	-	-	-	-	-	-	-	-	-	-	-	-	475.39	475.39	
Topcrop	-	-	-	-	-	-	-	-	-	-	-	-	355.85	355.85	
Segaco	-	-	-	-	-	-	-	-	-	-	-	-	180.49	180.49	
Tutico	-	-	-	-	-	-	-	-	-	-	-	-	85.03	85.03	
Supercrop	-	-	-	-	-	-	-	-	-	-	-	-	83.69	83.69	
Zuba	-	-	-	-	-	-	-	-	-	-	-	-	1,008.97	1,008.97	
UPSB	-	-	-	-	-	-	-	-	-	48.56	-	-	-	48.56	
TOTAL	1,157.30	302.20	1,158.90	1,180.22	1,283.92	1,370.78	888.50	529.43	1,037.94	342.03	-	-	-	2,189.42	11,440.64

6. INFORMATION ON UDPB GROUP (CONT'D)

A description of the 21 plantation estates under the UDPB Group can be summarised as follows :-

(a) UDPB Estate

UDPB estate, which covers an area of approximately 6,829.6 ha and sited on seven (7) pieces of land, is currently under leasehold with a period of 99 years with an unexpired period of 81 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 44 km due north-east of Lahad Datu town and 67km due south-east of Sandakan town.

As at 18 February 2000, about 6,414.1 ha have been planted with oil palm with an average age of 7 to 12 years. The unplanted area of approximately 415.5 ha is being used as estate roads for access to the plantation, building, office, school and housing sites, and unplanted areas consisting of swamp, streams, ponds and rocks. The oil palm trees on this estate were first planted in 1987 and are fully matured.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	80,219	111,163	143,253	141,786	134,026
Matured Plantation Hectarage	6,125	6,414	6,414	6,414	6,414
Yield Per Matured Hectarage (MT)	13.10	17.33	22.33	22.11	20.90

(b) UCorp Estate

UCorp estate, which covers an area of approximately 43.82 ha and sited on two (2) pieces of land, is currently under leasehold with a period of 99 years expiring on 31 December 2092 and 31 December 2093 with an unexpired period of 92 and 93 years respectively. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 44 km due north-east of Lahad Datu town and 67 km due south-east of Sandakan town.

As at 18 February 2000, about 33.7 ha representing 97% of the plantation area have been planted with oil palm with an average age of 4 years. The unplanted area of approximately 10.12 ha is used as estate roads for easy access to the plantation. The oil palm trees on this estate were planted between June to September 1995 and are newly matured trees.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	-	-	221
Matured Plantation Hectarage	-	-	-	-	34
Yield Per Matured Hectarage (MT)	-	-	-	-	6.50

6. INFORMATION ON UDPB GROUP (CONT'D)

(c) Esteemplan Estate

Esteemplan estate, which covers an area of approximately 200.5 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2087 with an unexpired period of 87 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 50 km due north-east of Lahad Datu town and 60 km due south-east of Sandakan town. The estate is located approximately 300 metres north of UDPB estate.

As at 18 February 2000, about 188.5 ha have been planted with oil palm with an average age of 6 years. The unplanted area of approximately 12.0 ha is being used as estate roads for access to the plantation. The oil palm trees on this estate were planted between July to October 1993 and are fully matured.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	8	1,142	2,710	3,820
Matured Plantation Hectarage	-	-	189	189	189
Yield Per Matured Hectarage (MT)	-	-	6.04	14.38	20.27

(d) Jimery Estate

Jimery estate, which covers an area of approximately 199.4 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2087 with an unexpired period of 87 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 176.6 ha have been planted with oil palm with an average age of 6 years. The unplanted area of approximately 22.8 ha is being used as estate roads for access to the plantation. The oil palm trees on this estate were planted between July to October 1993 and are fully matured.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	975	1,793	2,981
Matured Plantation Hectarage	-	-	177	177	177
Yield Per Matured Hectarage (MT)	-	-	5.52	10.15	16.88

6. INFORMATION ON UDPB GROUP (CONT'D)

(e) Lajung Kelapa Sawit Estate

Lajung Kelapa Sawit estate, which covers an area of approximately 197.8 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2086 with an unexpired period of 86 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 191.9 ha have been planted with oil palm with an average age of 4 years. The unplanted area of approximately 5.9 ha is being used as estate roads for access to the plantation, housing site for the estate staff and quarry reserve. The oil palm trees on this estate were planted between February to June 1995 and are newly matured trees.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	-	105	1,073
Matured Plantation Hectarage	-	-	-	192	192
Yield Per Matured Hectarage (MT)	-	-	-	0.55	5.59

(f) Kesan Jaya Estate

Kesan Jaya estate, which covers an area of approximately 198.1 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2086 with an unexpired period of 86 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 190.81 ha have been planted with oil palm with an average age of 4 years. The unplanted area of approximately 7.29 ha is being used as estate roads for access to the plantation and housing site for the estate staff. The oil palm trees on this estate were planted between June to October 1995 and are newly matured trees.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	-	16	790
Matured Plantation Hectarage	-	-	-	191	191
Yield Per Matured Hectarage (MT)	-	-	-	0.08	4.14

6. INFORMATION ON UDPB GROUP (CONT'D)

(g) **Puuvun Estate**

Puuvun estate, which covers an area of approximately 384.0 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2085 with an unexpired period of 85 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 46 km due north-east of Lahad Datu town and 71 km due south-east of Sandakan town.

As at 18 February 2000, about 353.4 ha have been planted with oil palm with an average age of 6 years. The unplanted area of approximately 30.6 ha consists of the estate roads for access to the plantation and unplanted swamp. The oil palm trees on this estate were first planted between May to December 1993 and are newly matured trees.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	1,722	2,970	3,940
Matured Plantation Hectarage	-	-	176.7	353.0	353.0
Yield Per Matured Hectarage (MT)	-	-	9.75	8.41	11.16

(h) **Builtec Estate**

Builtec estate, which covers an area of approximately 196.90 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2088 with an unexpired period of 88 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 185.97 ha have been planted with oil palm with an average age of 4 years. The unplanted area of approximately 10.93 ha is being used as estate roads for access to the plantation and building site. The oil palm trees on this estate were planted between January to June 1995 and are newly matured trees.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	-	60	543
Matured Plantation Hectarage	-	-	-	-	186
Yield Per Matured Hectarage (MT)	-	-	-	-	2.92

6. INFORMATION ON UDPB GROUP (CONT'D)

(i) Mautas Estate

Mautas estate, which covers an area of approximately 202.50 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2085 with an unexpired period of 85 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 184.20 ha have been planted with oil palm with an average age of 5 years. The unplanted area of approximately 18.30 ha is being used as estate roads for access to the plantation, housing site for the estate staff, quarry reserve and unplanted areas consisting of streams and ponds. The oil palm trees on this estate were planted between September 1994 to February 1995 and are fully matured.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	9	759	1,706
Matured Plantation Hectarage	-	-	-	184.2	184.2
Yield Per Matured Hectarage (MT)	-	-	-	4.12	9.26

(j) Marga Jaya Estate

Marga Jaya estate, which covers an area of approximately 196.90 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2086 with an unexpired period of 86 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 188.72 ha have been planted with oil palm with an average age of 5 years. The unplanted area of approximately 8.18 ha is being used as estate roads for access to the plantation. The oil palm trees on this estate were planted between September 1994 to February 1995 and are newly matured trees.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	-	1,133	2,119
Matured Plantation Hectarage	-	-	-	188.7	188.7
Yield Per Matured Hectarage (MT)	-	-	-	6.00	11.23

6. INFORMATION ON UDPB GROUP (CONT'D)**(k) Tekad Murni Estate**

Tekad Murni estate, which covers an area of approximately 739.15 ha and sited on five (5) pieces of land, is currently under leasehold with a period of 99 years with an unexpired period of between 87 to 92 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 631.29 ha have been planted with oil palm with an average age of 4 to 7 years. The unplanted area of approximately 107.86 ha is being used as estate roads for access to the plantation, housing site for the estate staff, building site, unplanted swamp and quarry reserve. The oil palm trees on the estate were planted between December 1992 to August 1995 and are a combination of fully matured trees and those nearing maturity.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	74	933	2,134	5,126
Matured Plantation Hectarage	-	39.2	176.6	195.73	631.29
Yield Per Matured Hectarage (MT)	-	1.89	5.39	10.90	8.12

(l) Sri Kundasang Estate

Sri Kundasang estate, which covers an area of approximately 235.30 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2085 with an unexpired period of 85 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 46 km due north-east of Lahad Datu town and 71 km due south-east of Sandakan town.

As at 18 February 2000, about 204.0 ha have been planted with oil palm with an average age of 3 to 6 years. The unplanted area of approximately 31.3 ha is being used as estate roads for access to the plantation and unplanted swamp areas consisting of lakes. The oil palm trees on this estate were planted between October to November 1993 which are fully matured and May 1996.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	887	1,377	2,862
Matured Plantation Hectarage	-	-	204	204	204
Yield Per Matured Hectarage (MT)	-	-	4.35	6.75	14.03

6. INFORMATION ON UDPB GROUP (CONT'D)

(m) Zutaland Estate

Zutaland estate, which covers an area of approximately 197.20 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2091 with an unexpired period of 91 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 181.9 ha have been planted with oil palm with an average age of 3 years. The unplanted area of approximately 15.29 ha is being used as estate roads for access to the plantation and housing site for the estate staff. The oil palm trees on this estate were planted between February to June 1996 and are still immature.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	-	-	228
Matured Plantation Hectarage	-	-	-	-	181
Yield Per Matured Hectarage (MT)	-	-	-	-	0.79

(n) Longlive Estate

Longlive estate, which covers an area of approximately 80.95 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2082 with an unexpired period of 82 years. The estate is situated in Kretam locality in the Kinabatangan District of Sabah. It is about 53 km due north-east of Lahad Datu town and 64 km due south-east of Sandakan town.

As at 18 February 2000, about 77.56 ha have been planted with oil palm with an average age of 3 years. The unplanted area of approximately 3.39 ha is being used as estate roads for access to the plantation. The oil palm trees on this estate were planted between September 1995 to February 1996 and are still immature.

The annual harvest for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
FFB Production (MT)	-	-	-	-	104
Matured Plantation Hectarage	-	-	-	-	78
Yield Per Matured Hectarage (MT)	-	-	-	-	1.34

6. INFORMATION ON UDPB GROUP (CONT'D)

(o) Fasgro Estate

Fasgro estate, which covers an area of approximately 475.39 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2078 and 31 December 2079 with an unexpired period of 78 to 79 years. The estate is situated in Segama locality in the District of Lahad Datu, Sabah. It is about 36 km due north-west of Lahad Datu town, direct frontage to Jalan Lahad Datu-Sandakan and Jalan Jeroco.

The land which was previously a cocoa plantation was fully replanted with oil palm in November 1999. The total cost of development is estimated to be approximately RM1,500 per acre.

(p) Tutico Estate

Tutico estate, which covers an area of approximately 85.03 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2079 with an unexpired period of 79 years. The estate is situated in Ulu Segama locality in the District of Lahad Datu, Sabah. It is about 5 km due west of Km 17, Jalan Lahad Datu-Sandakan.

The land which was previously a cocoa plantation was fully replanted with oil palm in November 1999. The total cost of development is estimated to be approximately RM1,500 per acre.

(q) Segaco Estate

Segaco estate, which covers an area of approximately 180.49 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2078 with an unexpired period of 78 years. The estate is situated in Segama locality in the District of Lahad Datu, Sabah. It is about 36 km due north-west of Lahad Datu town, direct frontage to Jalan Lahad Datu-Sandakan and Jalan Jeroco.

The land which was previously a cocoa plantation was fully replanted with oil palm in November 1999. The total cost of development is estimated to be approximately RM1,500 per acre.

(r) Topcrop Estate

Topcrop estate, which covers an area of approximately 355.85 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2078 with an unexpired period of 78 years. The estate is situated in Segama locality in the District of Lahad Datu, Sabah. It is about 36 km due north-west of Lahad Datu town, direct frontage to Jalan Lahad Datu-Sandakan and Jalan Jeroco.

The land which was previously a cocoa plantation was fully replanted with oil palm in November 1999. The total cost of development is estimated to be approximately RM1,500 per acre.

6. INFORMATION ON UDPB GROUP (CONT'D)

(s) Supercrop Estate

Supercrop estate, which covers an area of approximately 83.69 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2079 with an unexpired period of 79 years. The estate is situated in Ulu Segama locality in the District of Lahad Datu, Sabah. It is about 5 km due west of Km 17, Jalan Lahad Datu-Sandakan.

The land which was previously a cocoa plantation was fully replanted with oil palm in November 1999. The total cost of development is estimated to be approximately RM1,500 per acre.

(t) Zuba Estate

Zuba estate, which covers an area of approximately 1,008.97 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2078 with an unexpired period of 78 years. The estate is situated in Segama locality in the District of Lahad Datu, Sabah. It is about 154.8 km, Sandakan-Lahad Datu Highway.

As at November 1999, half of the land, which was previously a cocoa plantation, has been replanted with oil palm. The completion date for full replanting is expected in March 2000. The total cost of development is estimated to be approximately RM1,500 per acre.

(u) UPSB Estate

UPSB estate, which covers an area of approximately 48.56 ha, is currently under leasehold with a period of 99 years expiring on 31 December 2074 with an unexpired period of 74 years. The estate is situated in Segama locality in the District of Lahad Datu, Sabah. It is about 20 km due north-west of Lahad Datu town, direct frontage to Jalan Lahad Datu-Sandakan and Jalan Jeroco.

UPSB estate was previously a cocoa plantation. The oil palm trees on this estate were planted between October to November 1996 and are still immature.

Milling Operations :-

The FFB harvested from the above estates are processed into CPO and PK at the Group's palm oil mills. Apart from Company's own produce, purchases of FFB from other estates are also made to supplement processing capacity.

Details of the Group's two (2) CPO mills are as follows :-

(a) UDPB Palm Oil Mill

UDPB palm oil mill which is located on the UDPB estate was set up in 1996 and commenced operations in the fourth quarter of 1996. The upgrading of the mill from a capacity of 40 MT per hour to 80 MT per hour which commenced in July 1997 was completed in August 1998. Currently, the mill processes FFB sourced mainly from the Group's plantations.

6. INFORMATION ON UDPB GROUP (CONT'D)

The main building of the palm oil mill occupies a floor area of 6,699 m². The mill, which has six (6) production lines, is operated over two ten (10) hour shift during the peak season and one eight (8) hour shift during the low season.

The production statistic of the mill for the past three (3) years ended 31 March 1999 since the mill commenced operations are as follows :-

	1997	1998	1999
Intake of FFB (MT):-			
Internal produce	47,083	145,966	154,540
Third party purchases	-	2,747	5,657
	<u>47,083</u>	<u>148,714</u>	<u>160,198</u>

Output (MT):-

CPO	8,961	29,603	31,278
PK	2,031	6,154	6,623

(b) UOMSB Palm Oil Mill

UOMSB palm oil mill is located in the Segama locality in the Lahad Datu District of Sabah. It commenced operations in October 1991. The upgrading of the mill from a capacity of 30 MT per hour to 40 MT per hour which commenced in May 1997 was completed in August 1998. The mill has a provision to expand to 60 MT per hour. The mill presently processes FFB sourced mainly from nearby estates and plantations as it is now operating on a purely commercial basis.

The main building of the palm oil mill occupies a floor area of 4,896 m². The mill, which has three (3) production lines, is operated over two ten (10) hour shift during the peak season and one eight (8) hour shift during the low season.

The production statistic of the mill for the past five (5) years ended 31 March 1999 are as follows :-

	1995	1996	1997	1998	1999
Intake of FFB (MT):-					
Internal produce	59,215	84,317	36,104	5,560	3,929
Third party purchases	59,434	63,660	100,622	117,586	126,179
	<u>118,649</u>	<u>147,977</u>	<u>136,726</u>	<u>123,146</u>	<u>130,108</u>

Output (MT):-

CPO	22,323	27,816	26,038	23,490	24,904
PK	5,454	6,723	6,045	5,469	6,145

6. INFORMATION ON UDPB GROUP (CONT'D)

6.6 Directors, Management Team and Employees**a) Board of Directors**

Tan Sri Ngan Ching Wen, aged 68, was appointed to the Board of UDPB on 9 April 1983. He graduated from Nanyang University, Singapore with a Bachelor degree in Economics in 1962 and obtained his L.L.B. from the University of Singapore in 1966. He was called to the Malaysian Bar in 1967 and he was a practising lawyer for a few years before venturing into business and becoming a full-time corporate person. Presently, he is the Managing Director and a Member of the Executive Committee. He is also the Chairman of Group 5 International Investment Limited, an investment holding company which was incorporated in Hong Kong with subsidiaries being involved in property development and road construction in the Peoples Republic of China. In addition, he is a director of Kheng Hooi Plantations Bhd, a company involved in oil palm cultivation which was incorporated in Malaysia and Chaya Bintang Berhad, a Malaysian incorporated company which is presently dormant.

He is the Adviser of ACCCIM and the Honorary President of KLSCCCI. He is also the President of Sino-Malaysian Chambers of Commerce and Economy. He was the Managing Director of Westmont Land (Asia) Berhad (formerly known as Ganda Holdings Berhad), an investment holding company with subsidiaries being involved in plantation and property development, and WTK Holdings Berhad (formerly known as Samanda Holdings Berhad), an investment holding company with subsidiaries being involved in the manufacturing of adhesive tapes and rubber products from early 1980 until 1994.

Apart from his extensive experience in the field of law, he possesses vast and diversified experience in the commercial sectors including property development, manufacturing, oil palm plantations, millings and refineries as well as the financial service sector. He was appointed as Chairman cum Managing Director of UDPB on 7 January 2000.

Tan Sri Dato' Soong @ Soong Siew Hoong, aged 74, was appointed to the Board of UDPB on 7 July 1994. He has over 40 years of business experience and is currently the Managing Director of Kwan Cheong Engineering (1976) Sendirian Berhad, a company involved in engineering works. He is the Secretary General of the ACCCIM and Deputy President of the KLSCCCI. He is also a Council Member of Federation of Malaysian Manufacturers and Chairman of Malaysian Iron and Steel Industry Federation. His extensive experience includes managing companies involved in the telecommunication, insurance and steel industry.

Dato' Lee Seng Cheng, aged 75, was appointed to the Board of UDPB on 8 December 1987. He has many years of business experience which includes property development and trading. He is the Chairman of Lee Seng Cheng Holding Sendirian Berhad which is an investment holding company, Seng Cheng Realty Sendirian Berhad, an investment holding company and Kedah Realty Sendirian Berhad, a property development company. He is also the Chairman of Ban Hock Leong Sendirian Berhad, an investment holding company and Ban Hock Leong Trading Sendirian Berhad, a trading agency. He is also an Adviser to Kedah Chinese Chambers of Commerce and Honorary Adviser of ACCCIM.

6. INFORMATION ON UDPB GROUP (CONT'D)

Dato' Lee Choon @ Lee Chun, aged 64, was appointed to the Board of UDPB on 18 April 1991. He holds a Bachelor of Science degree in Mechanical Engineering from Taiwan National University which he obtained in 1962. He is a Board member of the Professional Engineer Malaysia. He is the Chairman of Master Engineering Construction Sdn Bhd, a company involved in engineering and construction, and Guangzhou Hua Yi Plastics Co. Ltd, a company principally involved in the manufacturing of poly-sterene. He is an Honorary Adviser of ACCCIM. In addition, he is the Honorary Life President of the Negeri Sembilan Chinese Chamber of Commerce and Industry and the Negeri Sembilan Hokkien Associations.

His wide experience includes mechanical engineering, engineering and construction of power plant, manufacturing of petrochemical and downstream project, trading of engineering equipment and parts of property and housing development.

Mr Yuo Kian Leng @ Yeoh Joo Chuan, aged 57, was appointed to the Board of UDPB on 4 February 1993. He is a civil and engineering contractor. He has more than 26 years of experience in the contracting business, principally in structuring building construction and civil works. He is the Adviser to the Kelang Chinese Chambers of Commerce and Industries and Honorary Adviser of the ACCCIM. He is the Chairman of Unico Credit Sdn Bhd, a company offering hire-purchase, leasing, block discounting and factoring services, and Unico Acceptance Sdn Bhd, a company which provides loan and credit facilities. He is a director of Amoy Canning Corporation (M) Bhd, a manufacturing company and he is also the Chairman of Easpan Realty Sdn Bhd, a company principally involved in oil palm cultivation.

Mr Mew Jin Seng, aged 60, was appointed to the Board of UDPB on 18 April 1991. He graduated from Nanyang University, Singapore with a Bachelor of Science degree in Physics in 1962. He is the Managing Director of Batamas Sdn Bhd, a company which manufactures Kalsa Bricks and Dahol Machinery Sdn Bhd, a company involved in the trading of timber-based machinery. He is also the Convenor of Commerce Committee of the ACCCIM and is the Vice President of KLSCCCI. He is also a Director of Chung Hwa Independent High School. He has more than 30 years of business experience in banking, manufacturing, property development and oil palm industries.

Dr Yeong Cheong Thye @ Yeong Yue Chai, aged 57, was appointed to the Board of UDPB on 7 January 2000. He holds a doctorate degree in Chemistry from the University of London. He has over 20 years of experience in the merchant trade business. He has been the Chairman cum Managing Director of Nam Leong Co. Sdn Bhd since 1976 and Amity Corporation Sdn Bhd since 1981, the principal activities of these companies being importer of canned food, Chinese patented medicines and native produce.

Mr Teoh Hock Chai @ Tew Hock Chai, aged 54, was appointed to the Board of UDPB on 7 January 2000. He has over 25 years of experience in the hire purchase and car trading business. He has been the Executive Chairman of the ELK Group Sdn Bhd with business ventures in hire purchase, car trading, insurance agency, auto service center and furniture trade since 25 October 1988. He has also been the Chairman and Managing Director of Eng Lee Kredit Berhad, a public company which is principally involved in the business of hire purchase financing, since 1971.

6. INFORMATION ON UDPB GROUP (CONT'D)

He became a member of Kuala Lumpur And Selangor Car Dealers And Credit Companies Association in 1977 and currently holds the position of Vice President. He also became a member of KLSCCCI in 1977 and is presently the Assistant Honorary Treasurer. In 1997, he became an Executive Council Member of Tung Shin Hospital.

b) **Management Team**

UDPB has appointed the following key senior management personnel to provide more efficient and effective services to the operations of the Group :-

Name	Designation
Ooi Toon Kit	Group General Manager
Ang Poh Eng	General Manager (Operation & Marketing)
Wong Choong Yee	Financial Controller/Company Secretary
Jervis Chong Kat Fung	Assistant General Manager
Gan Tee @ Gan Chin Thian	Senior Mill Manager
Chow Mok Sam	Mill Manager
Chew Beng Hock	Estate Manager
Yeoh Cheang Chu	Estate Manager
Ngui Chee Keong	Estate Manager
Cheong Mann Siong	Estate Manager

The particulars of the management team of UDPB are as follows:-

Mr Ooi Toon Kit, aged 52, graduated from the University of Auckland, New Zealand with a Bachelor of Commerce degree and subsequently a Master of Commerce degree which he obtained in 1973. He is an Associate Chartered Accountant of New Zealand and a member of the Chartered Institute of Secretaries and Administrators, New Zealand. He is also a member of the Malaysian Institute of Chartered Secretaries and Administration.

From 1972 to 1977, he worked as a Financial Accountant and subsequently, as a Management Accountant in Fletcher Timber Ltd., one of the largest timber corporations in New Zealand. Upon returning to Malaysia, he joined British Petroleum (M) Sdn Bhd, a company principally involved in the business of petroleum, in 1977 as the Financial and Management Accountant. In 1979, he joined Inchcape Malaysia Holdings Sdn Bhd, an investment holding company, as the Group Accountant. He was subsequently promoted to the position of Group Investment Manager and Director of the Group Management Services Division. He was the General Manager of MAI Sdn Bhd, an investment holding company, between 1986 and 1987. He was appointed as the Group General Manager of UDPB on 8 June 1987.

Mr Ang Poh Eng, aged 45, graduated from University Malaya with a Bachelor of Economics degree in 1977. Upon graduation, he also obtained his Diploma in Accounting from University Malaya in 1977 and is presently a member of MIA. His working experience encompasses both the public and private sector. He was a Financial Analyst with the Malaysian Industrial Development Authority for about eight (8) years before leaving the public sector in 1985 to join Dunlop Estates Bhd, a company involved in oil palm cultivation, as Assistant Manager (Corporate Development). In 1989, he left Dunlop Estates Bhd to join National Semi Conductor Sdn Bhd, an electronics-based company, as Supervisory Accountant (Finance).

6. INFORMATION ON UDPB GROUP (CONT'D)

He joined Yong Kam Fook Plastic Industries Sdn Bhd, a manufacturing company, in 1990 to take up the post as the Corporate Affairs Manager. In 1991, he left the company to join UHB as the Senior Accountant. He was later promoted to become the Group Accountant in 1992. In 1995, he was promoted to become the Assistant General Manager cum Company Secretary, in charge of the marketing and finance of the plantation division. On 15 October 1997, he was transferred and promoted as General Manager of UDPB.

Mr Wong Choong Yee, aged 39, is an accountant by profession. He is a member of the Chartered Institute of Management Accountants (UK) and MIA. In the early years of his career, he worked in Ahmad Abdullah & Goh as an audit assistant. He left the firm in 1988 to join Westmont Land Berhad (formerly known as Ganda Holdings Berhad), an investment holding company with subsidiaries being involved in plantation and property development and WTK Holdings Berhad (formerly known as Samanda Holdings Berhad), an investment holding company with subsidiaries being involved in the manufacturing of adhesive tapes and rubber products, as an Assistant Accountant. In mid 1995, he left the company to join UHB as an Internal Auditor. In early 1997, he was redesignated as Internal Audit Manager. On 15 October 1997, he assumed the post of the Financial Controller cum Company Secretary of UDPB in-charge of the holding and plantation division, financial and accounting matters.

Mr. Jervis Chong Kat Fung, aged 45, has vast experience in plantation. He has a total of not less than nineteen (19) years in the industry. He joined Bal Plantations, an estate owned by Golden Hope Berhad in 1978 and thereafter, he left Bal Plantation in 1980 to join Sipit Plantations, an estate owned by Sipit Development Sdn Bhd. In 1981, he returned to Bal Plantations as Assistant Manager - Senior. In 1990, he left Bal Plantations to join UDPB as Estate Manager. In 1992, he was promoted to Assistant General Manager, a post he holds to-date, in-charge of the operation of the plantation division in Lahad Datu.

Mr. Gan Tee @ Gan Chin Thian aged 62, has vast experience in palm oil mill operations. He holds a Diploma in Mechanical Engineering from Singapore Polytechnic. He is also an Associate Member of The Society of Engineer, United Kingdom. In early 1980, he was the resident palm oil mill engineer in-charge of the operation and maintenance of palm oil mill with Havys Oil Mill Sdn Bhd, a company principally involved in the processing of FFB. In mid 1980, he left the company to join L. S. Chong Enterprise Sdn Bhd, a housing developer, as a construction engineer. Thereafter, he joined Syarikat Hip Hing Sdn Bhd, a turnkey palm oil mill contractor, as a palm oil mill Project Management Executive involved in palm oil mill turnkey project and erection and modification of various stations in palm oil mills. In 1993, he left the company to join Taliworks Consortium Sdn Bhd, a company involved in water treatment, as an Organisation and Mechanical Executive and was entrusted with the responsibility for the operation and maintenance of the State of Selangor Water Treatment Plant under the privatisation programme. In 1996, he left the firm to join Bumi Raya Utama Group in Indonesia, a group of companies principally involved in the cultivation of oil palm and milling of FFB, as the Palm Oil Mill Manager to oversee the construction and efficient running of the palm oil mill. In 1998, he left Bumi Raya Utama Group to join UDPB as Senior Mill Manager.

6. INFORMATION ON UDPB GROUP (CONT'D)

Mr. Chow Mok Sam, aged 40, graduated from Tunku Abdul Rahman College in 1983 with a Diploma in Mechanical/Automotive in Engineering. He also obtained an external degree in Mechanical Engineering from the Council of Engineer, London, United Kingdom. In the early years of his career, he joined Top Plantation, an estate owned by TDM Berhad, an investment holding company which provides management services, in 1983 as Mill Assistant. In 1987, he left Top Plantation to join Sri Senggora Kilang Kelapa Sawit Sdn Bhd in Maran, Pahang, a company which operates a palm oil mill, as Factory Manager/Engineer. In 1988, he left Malaysia to work as Administrator/Engineer in Nigerian Spanish Engineering Ltd, Nigeria, a steel mill company. When he came back to Malaysia in 1990, he joined Morisem Palm Oil Mill, a mill owned by Morisem Sdn Bhd located in Lahad Datu, Sabah, a company involved in the processing of FFB, as Mill Manager. In 1992, he left Morisem Palm Oil Mill to join UOMSB as Mill Manager.

Mr. Chew Beng Hock, aged 46, has 20 years of experience in oil palm and rubber planting. He obtained a diploma from Incorporated Society of Planters, an internationally recognised qualification in plantation management and practise in 1987. In the early years of his career, he was with Harrisons & Crosfield Ltd, a plantation-based company, Trengganu Development and Management Berhad, another plantation-based company and Kulim Plantation Bhd, an investment holding company involved in the production of CPO and PK in Johor. In 1983, he was with Sabah Land Development Board as Scheme Manager. In 1988, he left the company and joined Boustead Plantation Agency as a Manager. In late 1990, he left Boustead Plantation Agency to join UDPB as Estate Manager.

Mr. Yeoh Cheang Chu, aged 49, has vast experience in plantation. In the early years of his career, he joined Harrisons & Crosfield Ltd., a plantation-based company, as field/factory conductor. In 1981, he left the company to join Ladang Cantawan (S) Sdn Bhd, a plantation-based company as Estate Manager. He stayed with the company for about seven (7) years before he joined UDPB in 1992 as Estate Manager.

Mr. Ngui Chee Keong, aged 36, holds a Bachelor in Science Degree from University of Saskatchewan, Canada and Licentiate Diploma from the Incorporated Society of Planters. He started work with Kretam Management Sdn Bhd, a company involved in the cultivation of oil palm, in 1987 as Cadet Planter and was later promoted to Assistant Estate Manager and subsequently, Estate Manager. He has more than ten (10) years experience in oil palm estate management. He left Kretam Management Sdn Bhd in August 1998 to join UDPB as Estate Manager. He is entrusted with the responsibility of managing the estates held under UCorp.

Mr. Cheong Mann Siong, aged 47, has vast experience in estate management. He started work as Cadet Planter in 1978 with Sime Darby Plantations Berhad, an investment holding company which provides management services to its subsidiaries, and was subsequently promoted to Estate Assistant in late 1980. In 1982, he left Sime Darby Plantations Berhad to join Ladang Koko Yayasan Tun Fuad Dan Tun Razak, a cocoa foundation project, as Senior Assistant Manager and was later promoted to Divisional Manager of North Division. In September 1985, he left Ladang Koko Yayasan Tun Fuan Dan Tun Razak to join Syarikat Kretam Sdn Bhd, a company involved in the cultivation of oil palm, as Assistant Manager and was subsequently promoted to Estate Manager. In 1998, he left the company to join PPB Oil Palm Berhad, a public-listed company involved in the cultivation of oil palm, milling of FFB, refining of CPO and marketing of refined palm oil and related products, as Divisional Manager. In early 1999, he joined UDPB as Estate Manager.

6. INFORMATION ON UDPB GROUP (CONT'D)

c) Employees

As at 18 February 2000, the Group employs a total of 1,787 employees. The management of the Group enjoys a good relationship with the employees. The employees do not belong to any organised union.

d) Family Relationship

None of the Directors and senior management are related to each other.

6. INFORMATION ON UDPB GROUP (CONT'D)

6.7 Summary of Properties

The properties held by the UDPB Group as at 18 February 2000 are as follows:-

Owner/Title/Location	Description / Existing Use	Land / Built-up Area (ha)	Tenure	Net Book Value as at 31.3.1998 RM	Open Market Value as appraised on 15.8.1998 RM	Valuation Approved by the SC RM	Approved Revaluation Surplus RM	Net Book Value as at 31.8.1999 RM
<u>UDPB</u>								
CL095316475	Oil palm plantation &	6,829.60	99-year lease	112,145,143	170,952,000	165,200,000	53,054,857	116,266,191
CL095316484	palm oil mill (2 years)		expiring on 31.12.2081					
CL095316493								
CL095316519								
CL095316528								
CL095316500 (notes a & d)								
CL095316537 (notes a, c & d)								
District of Kinabatangan, Sabah								
<u>Ucorp</u>								
CL095322820	Oil palm plantation	43.82	99-year lease	423,440	760,000	700,000	276,560	532,894
CL095322839			expiring on 31.12.2092 & 31.12.2093					
District of Kinabatangan, Sabah								
<u>Esteemplan</u>								
CL095317221	Oil palm plantation	200.5	99-year lease	2,553,872	4,620,000	4,510,000	1,956,128	2,448,084
District of Kinabatangan, Sabah								
Sub-Total				115,122,455	176,332,000	170,410,000	55,287,545	119,247,169

6. INFORMATION ON UDPB GROUP (CONT'D)

Owner/Title/Location	Description / Existing Use	Land / Built-up Area (ha)	Tenure	Net Book Value as at 31.3.1998 RM	Open Market Value as appraised on 15.8.1998 RM	Valuation Approved by the SC RM	Approved Revaluation Surplus RM	Net Book Value as at 31.8.1999 RM
<u>Jimery</u>								
CL095317212 District of Kinabatangan, Sabah	Oil palm plantation	199.4	99-year lease expiring on 31.12.2087	2,646,288	4,330,000	4,220,000	1,573,712	2,540,500
<u>Laiung Kelapa Sawit</u>								
CL095317481 District of Kinabatangan, Sabah	Oil palm plantation	197.80	99-year lease expiring on 31.12.2086	1,939,888	4,360,000	4,000,000	2,060,112	2,558,461
<u>Kesan Java</u>								
CL095317543 District of Kinabatangan, Sabah	Oil palm plantation	198.10	99-year lease expiring on 31.12.2086	1,782,296	4,330,000	3,970,000	2,187,704	2,375,467
<u>Puuuyun</u>								
CL095316251 District of Kinabatangan, Sabah	Oil palm plantation	384.0	99-year lease expiring on 31.12.2085	4,519,731	8,220,000	7,970,000	3,450,269	4,509,779
Sub-Total				10,888,203	21,240,000	20,160,000	9,271,797	11,984,207

6. INFORMATION ON UDPB GROUP (CONT'D)

Owner/Title/Location	Description / Existing Use	Land / Built-up Area (ha)	Tenure	Net Book Value as at 31.3.1998 RM	Open Market Value as appraised on 15.8.1998 RM	Valuation Approved by the SC RM	Approved Revaluation Surplus RM	Net Book Value as at 31.8.1999 RM
Buittec								
CL095317356 District of Kinabatangan, Sabah	Oil palm plantation	196.9	99-year lease expiring on 31.12.2088	1,841,336	4,220,000	3,870,000	2,028,664	2,194,348
Mautas								
CL095317365 District of Kinabatangan, Sabah	Oil palm plantation	202.5	99-year lease expiring on 31.12.2085	2,021,191	4,310,000	4,020,000	1,998,809	2,200,998
Marga Jaya								
CL095317374 District of Kinabatangan, Sabah	Oil palm plantation	196.9	99-year lease expiring on 31.12.2086	2,000,136	4,420,000	4,110,000	2,109,864	2,180,354
Tekad Murni								
CL095317847 CL095319010 CL095318068 CL095317838 CL095317829 District of Kinabatangan, Sabah	Oil palm plantation	739.15	99-year lease expiring on 31.12.2086, 31.12.2089 & 31.12.2091	6,987,127	15,150,000	14,140,000	7,152,873	8,156,407
Sub-Total				12,849,790	28,100,000	26,140,000	13,290,210	14,732,107

6. INFORMATION ON UDPB GROUP (CONT'D)

Owner/Title/Location	Description / Existing Use	Land / Built-up Area (ha)	Tenure	Net Book Value as at 31.3.1998 RM	Open Market Value as appraised on 15.8.1998 RM	Valuation Approved by the SC RM	Approved Revaluation Surplus RM	Net Book Value as at 31.8.1999 RM
<u>Sri Kundasang</u>								
CL095317178 District of Kinabatangan, Sabah	Oil palm plantation	235.3	99-year lease expiring on 31.12.2085	2,763,009	4,710,000	4,560,000	1,796,991	2,916,255
<u>Zutaland</u>								
CL095321369 District of Kinabatangan, Sabah	Oil palm plantation	197.2	99-year lease expiring on 31.12.2091	2,971,637	3,770,000	3,510,000	538,363	3,344,707
<u>Longlive</u>								
CL095314579 District of Kinabatangan, Sabah	Oil palm plantation	80.95	99-year lease expiring on 31.12.2082	1,209,338	1,650,000	1,520,000	310,662	1,352,975
<u>UOMSB</u>								
CL115357438 } (notes a & d) CL115360186 }	Palm oil mill (8 years)	28.236	99-year lease expiring on 31.12.2077 & 31.12.2078	6,606,627	8,500,000	8,500,000	1,893,373	6,303,197
CL115360195 (notes a, b & d) District of Lahad Datu, Sabah								
<u>UPSB</u>								
CL115333438 (note e) District of Lahad Datu, Sabah	Oil palm plantation	48.56	99-year lease expiring on 31.12.2074	1,514,390	1,500,000	1,200,000	(314,390)	1,681,925
Sub-Total				15,065,001	20,130,000	19,290,000	4,224,999	15,599,059
TOTAL				153,925,449	245,802,000	236,000,000	82,074,551	161,562,542

6. INFORMATION ON UDPB GROUP (CONT'D)

In addition to the above, the newly acquired properties of the UDPB Group are as follows :-

Owner/Title/Location	Description / Existing Use	Land / Built-up Area (ha)	Tenure	Date of acquisition	Purchase consideration RM	Net Book Value as at 31.8.1999 RM	Open Market Value as appraised on 8.9.1998 RM	Valuation Approved by the SC RM
Fasgro								
CL 115338880 } (note e)	Oil palm	475.39	99-year lease	1.7.1998	7,883,654	9,687,875	6,260,000	6,260,000
CL 115338899 }	plantation		expiring on					
CL 115338906			31.12.2078					
CL 115339387			&					
CL 115339592			31.12.2079					
CL 115348386								
CL 115339396								
District of Lahad Datu, Sabah								
Topcrop								
CL 115339627	Oil palm	355.85	99-year lease	1.7.1998	5,901,213	5,905,311	5,890,000	5,890,000
CL 115339636	plantation		expiring on					
District of Lahad Datu, Sabah			31.12.2078					
Segaco								
CL 115339645	Oil palm	180.49	99-year lease	1.7.1998	2,993,223	3,472,464	2,450,000	2,450,000
District of Lahad Datu, Sabah	plantation		expiring on					
			31.12.2078					
Tufico								
CL 115342151	Oil palm	85.03	99-year lease	1.7.1998	1,202,940	1,173,205	1,250,000	1,250,000
District of Lahad Datu, Sabah	plantation		expiring on					
			31.12.2079					
	Sub-Total				17,981,030	20,238,855	15,850,000	15,850,000

6. INFORMATION ON UDPB GROUP (CONT'D)

Owner/Title/Location	Description / Existing Use	Land / Built-up Area (ha)	Tenure	Date of acquisition	Purchase consideration RM	Net Book Value as at 31.8.1999 RM	Open Market Value as appraised on 8.9.1998 RM	Valuation Approved by the SC RM
Supercrop								
CL 115342160 (note e) District of Lahad Datu, Sabah	Oil palm plantation	83.69	99-year lease expiring on 31.12.2079	1.7.1998	1,184,046	1,313,410	1,030,000	1,030,000
Zuba								
CL 115337945 (note f) District of Lahad Datu, Sabah	Oil palm plantation	1,008.97	99-year lease expiring on 31.12.2078	31.12.1998	13,463,280	14,353,596	13,762,000	-
Sub-Total					14,647,326	15,667,006	14,792,000	1,030,000
TOTAL					32,628,356	35,905,861	30,642,000	16,880,000

The approved revaluation surplus of RM82,074,551 will be incorporated into the audited accounts of the Group for the financial year ended 31 March 2000. Any revaluation surplus / (deficit) which has arisen from the valuation undertaken by CH Williams Talhar & Wong (Sabah) Sdn Bhd on the newly acquired properties will not be incorporated into the accounts of the Group.

6. INFORMATION ON UDPB GROUP (CONT'D)

Notes :-

- (a) *Application for the conversion / endorsement for the palm oil mills of UDPB and UOMSB are pending approval.*
- (b) *Application for the issuance of separate land titles is pending approval.*
- (c) *An application was made by the Company on 4 May 1999 for the subdivision of CL 095316537. However, the approval from the Lands and Surveys Department in the District of Lahad Datu is still pending.*
- (d) *The Company has not made any application in respect of the building plans and occupation certificate for the Group's palm oil mills as the land is located outside the jurisdiction of Majlis Daerah Lahad Datu. However, the Company has been informed by Majlis Daerah Lahad Datu vide its letter 26 June 1990 that it has no objection with the setting-up of the palm oil mills.*
- (e) *Pending outcome of appeal on premium.*
- (f) *This property was appraised by an independent professional valuer, CH Williams Talhar & Wong (Sabah) Sdn Bhd on 10 June 1998. The valuation was undertaken for the purposes of the sale and securing banking facilities. The valuation was not furnished to the SC for review as the purchase consideration for the acquisition was satisfied by way of cash. The conditional sale and purchase agreement was entered into on 3 September 1998 and the acquisition was completed on 31 December 1998. Further details are set out in Section 11.5 of this Prospectus.*

The Directors of the Company will endeavour to procure these approvals within six (6) months from the date of this Prospectus.

6. INFORMATION ON UDPB GROUP (CONT'D)**6.8 Subsidiary Companies**

A summary of the details of the subsidiaries of UDPB is set out in the table below :-

Name	Date and Place of Incorporation	Issued and Paid-Up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
UOMSB	14.10.1987 Malaysia	6,500,000	100	Processing and marketing of palm oil products
UCorp	19.10.1981 Malaysia	2,000,000	100	Investment holding and cultivation of oil palm
UPSB	30.12.1982 Malaysia	1,528,541	100	Cultivation of oil palm
<i>Subsidiaries of UCorp</i>				
Esteemplan	5.9.1983 Malaysia	2	100	Cultivation of oil palm
Jimery	11.6.1984 Malaysia	2	100	Cultivation of oil palm
Lajung Kelapa Sawit	13.12.1982 Malaysia	3	100	Cultivation of oil palm
Kesan Jaya	27.2.1987 Malaysia	2	100	Cultivation of oil palm
Puuvun	18.8.1982 Malaysia	3	100	Cultivation of oil palm
Builtec	28.8.1985 Malaysia	373,302	100	Cultivation of oil palm
Mautas	27.6.1985 Malaysia	389,902	100	Cultivation of oil palm
Marga Jaya	13.7.1985 Malaysia	369,502	100	Cultivation of oil palm
Tekad Murni	24.3.1989 Malaysia	2,554,002	100	Cultivation of oil palm
Sri Kundasang	15.7.1985 Malaysia	2	100	Cultivation of oil palm
Zutaland	14.7.1989 Malaysia	2,439,384	100	Cultivation of oil palm
Longlive	31.3.1981 Malaysia	1,064,696	100	Cultivation of oil palm
Fasgro	31.3.1980 Malaysia	7,884,000	100	Cultivation of oil palm
Tutico	31.7.1980 Malaysia	1,203,000	100	Cultivation of oil palm
Segaco	29.3.1980 Malaysia	2,994,000	100	Cultivation of oil palm
Topcrop	8.11.1979 Malaysia	6,707,000	100	Cultivation of oil palm
Supercrop	31.7.1980 Malaysia	1,185,000	100	Cultivation of oil palm
Zuba	13.1.1978 Malaysia	14,400,000	100	Cultivation of oil palm

6. INFORMATION ON UDPB GROUP (CONT'D)

UOMSB**i) History and Business Overview**

UOMSB was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 14 October 1987 under its present name. It is principally involved in the processing and marketing of palm oil products.

UOMSB currently has 88 employees and it has no subsidiary or associated companies.

ii) Share Capital

The existing authorised share capital is RM7,500,000 comprising 7,500,000 ordinary shares of RM1.00 each of which RM6,500,000 have been issued and fully paid-up comprising 6,500,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of UOMSB since its incorporation are as follows :-

Date of Allotment	No. of ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
14.10.87	2	1.00	Subscriber's shares	2
04.12.89	1,999,998	1.00	Cash	2,000,000
03.01.90	1,400,000	1.00	Cash	3,400,000
26.02.90	3,100,000	1.00	Cash	6,500,000

iii) Profit and Dividend

A summary of the audited accounts of UOMSB for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 is as follows :-

	← Financial Years Ended 31 March →					Five (5) months period ended
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	31.8.99 RM'000
Turnover	31,551	43,776	35,876	40,332	63,108	17,330
Profit/(Loss) Before Taxation	1,528	4,494	2,784	1,100	30	(27)
Less : Taxation	-	(400)	(365)	(1,051)	-	-
Profit/(Loss) After Taxation	1,528	4,094	2,419	49	30	(27)
No. of ordinary shares in issue ('000)	6,500	6,500	6,500	6,500	6,500	6,500
Gross earnings/(loss) per share (RM)	0.24	0.69	0.43	0.17	0.01	* (0.01)
Net earnings/(loss) per share (RM)	0.24	0.63	0.37	0.01	0.01	* (0.01)
Gross dividend rate (%)	-	-	25	5	10	-

* Annualised

6. INFORMATION ON UDPB GROUP (CONT'D)*Notes:-*

- (a) For the financial year ended 31 March 1996, the increase in turnover and profit before tax was due to the increase in CPO price and FFB processed, resulting in an increase in the amount of CPO sold during the year.
- (b) For the financial year ended 31 March 1997, the decrease in turnover and profit before tax was mainly due to lower CPO prices and the commencement of UDPB's palm oil mill which resulted in a lower supply of FFB.
- (c) For the financial year ended 31 March 1998, the decrease in the FFB processed and high CPO price led to the decline in PBT.
- (d) For the financial year ended 31 March 1999, the decline in PBT was due to the increase in the cost of FFB purchased as a result of competition in the supply of FFB.
- (e) There were no exceptional and extraordinary items in respect of all the financial years under review.

UCorp**i) History and Business**

UCorp which is an investment holding company was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 19 October 1981 under its present name. It is principally involved in the cultivation of oil palm. UCorp currently has 457 employees.

The subsidiary companies of UCorp are as follows :-

Name	Authorised Share Capital	Paid-up Share Capital	% Equity Held	Principal Activities
Esteemplan	25,000	2	100	Cultivation of oil palm
Jimery	25,000	2	100	Cultivation of oil palm
Lajung Kelapa Sawit	25,000	3	100	Cultivation of oil palm
Kesan Jaya	25,000	2	100	Cultivation of oil palm
Puuvun	25,000	3	100	Cultivation of oil palm
Builttec	500,000	373,302	100	Cultivation of oil palm
Mautas	500,000	389,902	100	Cultivation of oil palm
Marga Jaya	500,000	369,502	100	Cultivation of oil palm
Tekad Murni	5,000,000	2,554,002	100	Cultivation of oil palm
Sri Kundasang	25,000	2	100	Cultivation of oil palm
Zutaland	5,000,000	2,439,384	100	Cultivation of oil palm
Longlive	5,000,000	1,064,696	100	Cultivation of oil palm
Fasgro	8,000,000	7,884,000	100	Cultivation of oil palm
Tutico	2,000,000	1,203,000	100	Cultivation of oil palm
Segaco	3,000,000	2,994,000	100	Cultivation of oil palm

6. INFORMATION ON UDPB GROUP (CONT'D)

Name of company	Authorised Share Capital	Paid-up Share Capital	% Equity Held	Principal Activities
Zuba	25,000,000	14,400,000	100	Cultivation of oil palm
Topcrop	7,000,000	6,707,000	100	Cultivation of oil palm
Supercrop	2,000,000	1,185,000	100	Cultivation of oil palm

UCorp does not have any associated company.

(ii) Share Capital

The existing authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which RM2,000,000 have been issued and fully paid-up comprising 2,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of UCorp since its incorporation are as follows :-

Date of Allotment	No. of Ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
19.10.81	2	1.00	Subscriber's shares	2
10.08.94	1,999,998	1.00	Cash	2,000,000

(iii) Profit and Dividend

A summary of the audited accounts of UCorp Group for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 is as follows :-

	← Financial Years Ended 31 March →					Five (5) months period ended 31.8.99
	1995	1996	1997	1998	1999	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	-	17	888	3,648	10,392	3,565
Profit/(Loss) Before Taxation	-	(2)	623	1,886	2,740	(289)
Less : Taxation	-	-	-	-	-	-
Profit/(Loss) After Taxation	-	(2)	623	1,886	2,740	(289)
No. of ordinary shares in issue ('000)	2,000	2,000	2,000	2,000	2,000	2,000
Gross earnings/(loss) per share (RM)	-	(0.001)	0.31	0.94	1.37	* (0.35)
Net earnings/(loss) per share (RM)	-	(0.001)	0.31	0.94	1.37	* (0.35)
Gross dividend rate (%)	-	-	-	-	-	-

* Annualised